

DRAFT
ENVIRONMENTAL ASSESSMENT

**Montana Great Outdoors Conservation Easement –
Phase 1**

(FWP-SEA-WLD-R1-23-011)

April 15, 2024



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Abbreviations

ARM	Administrative Rules of Montana
BMP	Best Management Practices
DNRC	Department of Natural Resources and Conservation
EA	Environmental Assessment
EIS	Environmental Impact Statement
ESA	Endangered Species Act
FLP	Forest Legacy Program
MCA	Montana Code Annotated
MEPA	Montana Environmental Policy Act
NRCS	U.S.D.A. Natural Resources Conservation Service
FWP	Montana Fish, Wildlife and Parks
MRMP	Multi-Resource Management Plan
MTNHP	Montana Natural Heritage Program
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

Environmental Assessment

The Montana Department of Fish, Wildlife and Parks (FWP) has prepared this Draft Environmental Assessment (EA) in accordance with the requirements of the Montana Environmental Policy Act (MEPA). The purpose of an EA is to identify, analyze, and disclose the impacts of a proposed state action. This document may disclose impacts that have no required mitigation measures, or over which FWP, more broadly, has no regulatory authority.

Local governments and other state agencies may have authority over different resources and activities under separate regulations. FWP actions will only be approved if the proposed action complies with applicable regulations. FWP has a separate obligation to comply with any federal, state, or local laws and to obtain any other permits, licenses, or approvals required for any part of the proposed action.

This EA was prepared for the following action:

PROJECT NAME: Montana Great Outdoors Conservation Easement – Phase 1	
LOCATION: approx. 32,981 acres between Kalispell and Libby, MT	COUNTY: Flathead, Lincoln, Sanders
PROPERTY OWNERSHIP: <input type="checkbox"/> FEDERAL <input type="checkbox"/> STATE <input type="checkbox"/> COUNTY <input checked="" type="checkbox"/> PRIVATE	
EA PREPARER: Leah Breidinger	DATE ISSUED:

I. Compliance with the Montana Environmental Policy Act

Before a proposed *project* may be approved, environmental review must be conducted to identify and consider potential impacts of the proposed project on the human and physical environment affected by the project. The

Montana Environmental Policy Act (MEPA) and its implementing rules and regulations require different levels of environmental review, depending on the proposed project, significance of potential impacts, and the review timeline. § 75-1-201, Montana Code Annotated (“MCA”), and the Administrative Rules of Montana (“ARM”) 12.2.430, General Requirements of the Environmental Review Process.

FWP must prepare an EA when:

- It is considering a “state-proposed project,” which is defined in § 75-1-220(8)(a) as:
 - (i) a project, program, or activity initiated and directly undertaken by a state agency;
 - (ii) ... a project or activity supported through a contract, grant, subsidy, loan, or other form of funding assistance from a state agency, either singly or in combination with one or more other state agencies; or
 - (iii) ... a project or activity authorized by a state agency acting in a land management capacity for a lease, easement, license, or other authorization to act.
- It is not clear without preparation of an EA whether the proposed project is a major one significantly affecting the quality of the human environment. ARM 12.2.430(3)(a));
- FWP has not otherwise implemented the interdisciplinary analysis and public review purposes listed in ARM 12.2.430(2) (a) and (d) through a similar planning and decision-making process (ARM 12.2.430(3)(b));
- Statutory requirements do not allow sufficient time for the FWP to prepare an Environmental Impact Statement (EIS) (ARM 12.2.430(3)(c));
- The project is not specifically excluded from MEPA review according to § 75-1-220(8)(b) or ARM 12.2.430(5); or
- As an alternative to preparing an EIS, prepare an EA whenever the project is one that might normally require an EIS, but effects which might otherwise be deemed significant appear to be mitigable below the level of significance through design, or enforceable controls or stipulations or both imposed by the agency or other government agencies. For an EA to suffice in this instance, the agency must determine that all the impacts of the proposed project have been accurately identified, that they will be mitigated below the level of significance, and that no significant impact is likely to occur. The agency may not consider compensation for purposes of determining that impacts have been mitigated below the level of significance (ARM 12.2.430(4)).

MEPA is procedural; its intent is to ensure that impacts to the environment associated with a proposed project are fully considered and the public is informed of potential impacts resulting from the project.

II. Background and Description of Proposed Project

Name of Project: Montana Great Outdoors Conservation Easement – Phase 1

The Montana Department of Fish, Wildlife and Parks (FWP) proposes to purchase a 32,981-acre conservation easement. More specifically, the Montana Great Outdoors Conservation Easement – Phase 1. This is the first phase of a two-phased project totaling 85,792 acres of important timberland and fish and wildlife habitat currently owned by Green Diamond Resources Company (Green Diamond) in northwest Montana (**Figure 1**).

Phase 1 affects a 32,981-acre property located in the Salish and Cabinet mountains of northwest Montana between the towns of Kalispell and Libby. The elevation of the property ranges from ~ 3,000 feet near Cow

Creek to ~ 6,300 feet above sea level near Bar Z Peak. The property consists primarily of Douglas-fir and mixed conifer stands interspersed with long valleys and wet meadows, but forest type varies according to aspect and elevation. Dry ponderosa pine stands are found at low elevation sites and on south-facing slopes, while shade-tolerant trees such as grand fir and subalpine fir are found on cool north-facing slopes and at higher elevation sites. Engelmann spruce and western red cedar are typically found along streams in riparian habitat. Major drainages in the project area include the Thompson River, Indian Creek, Twin Lakes Creek, and Wolf Creek.

The affected property provides important habitat for several species listed as *Threatened* under the federal Endangered Species Act (ESA), numerous sensitive species listed by the state of Montana as *Species of Concern* as well as populations of deer, elk, moose, black bear, mountain lions and a variety of other wildlife species. More specifically, bull trout, grizzly bears, Canada lynx, and wolverine are all listed as *Threatened* under the federal ESA. The property drains into streams that are critical habitat for bull trout. The property also provides a key connectivity corridor for grizzly bears traveling between the Northern Continental Divide Ecosystem (NCDE) and the Cabinet-Yaak Ecosystem (CYE), which constitute grizzly bear recovery zones. Further, the affected property contains critical habitat for Canada lynx, as identified by the U.S. Fish and Wildlife Service (USFWS 2014) and potential habitat for wolverine, which was ESA-listed as *Threatened* in January 2024 (<https://www.fws.gov/press-release/2023-11/north-american-wolverine-receives-federal-protection-threatened-species-under>). The property also provides important habitat for numerous species designated by the state of Montana as *Species of Concern*, such as westslope cutthroat, hoary bat, and northern goshawk (complete list **Table 7**). The land is part of the Heart of the Salish Priority Area identified for conservation efforts in Montana's State Action Plan for Secretarial Order 3362 "Improving Habitat Quality in Western Big Game Winter Range and Migration Corridors". It provides a vital migration corridor and year-round habitat for approximately 20 moose, 40 elk, 350 mule deer, and 500 white-tailed deer (DeCesare et al. 2022).

The affected property has historically been owned by mining and timber companies and private landowners, allowing the public to access the property through short-term block management agreements or voluntary open land policies. Hunters and anglers have used these de facto public lands for generations, and the property currently provides approximately 6,000 days per year of public hunting and angling use. These lands are productive hunting grounds. In 2014, approximately half of the deer and elk that came through the Highway 2 game check station located west of Kalispell were harvested on this and other nearby corporate timber lands.

In 2019 Weyerhaeuser sold all 630,000 acres of their Montana lands to Southern Pine Plantations (SPP). In 2021 and 2022, SPP sold 475,000 acres of their Montana lands to multiple landowners. Green Diamond Resource Company (Green Diamond) made the largest purchase of SPP lands at 291,000 acres, including all the lands located within the footprint of both Phase 1 and 2 of the proposed Montana Great Outdoors Conservation Easement.

The proposed conservation easement, to be held by FWP, would allow Green Diamond to sustainably harvest wood products from these timberlands, preclude development, protect important wildlife habitat, and associated key landscape connectivity, and provide permanent free public access to the affected lands. 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 affected property would continue to store and sequester carbon, by virtue of the prohibition on residential or industrial development affirming the land will remain in a more natural state. Completion of this project would build on the success of the nearby 142,000-acre Thompson-Fisher Conservation Easement (FWP), the 100,000-

acre USFWS Lost Trail Conservation Area (USFWS) and other protected lands including the Kootenai and Lolo National Forests, the Thompson Chain of Lakes State Park, and Department of Natural Resources and Conservation (DNRC) lands. FWP is currently applying for funding to complete the approximately 52,810-acre Phase 2 of the Montana Great Outdoors Conservation Easement. Pending successful funding applications, the Environmental Assessment for Phase 2 of the Montana Great Outdoors Project will be released in late 2024.

Anticipated Project Schedule:

Public Comment Period:	April 15 – May 15, 2024
Recommended decision to Fish and Wildlife Commission:	June 12, 2024
FWP Fish & Wildlife Commission Review of Project & Decision:	August 16, 2024
Land Board Review of Project & Decision:	September 16, 2024

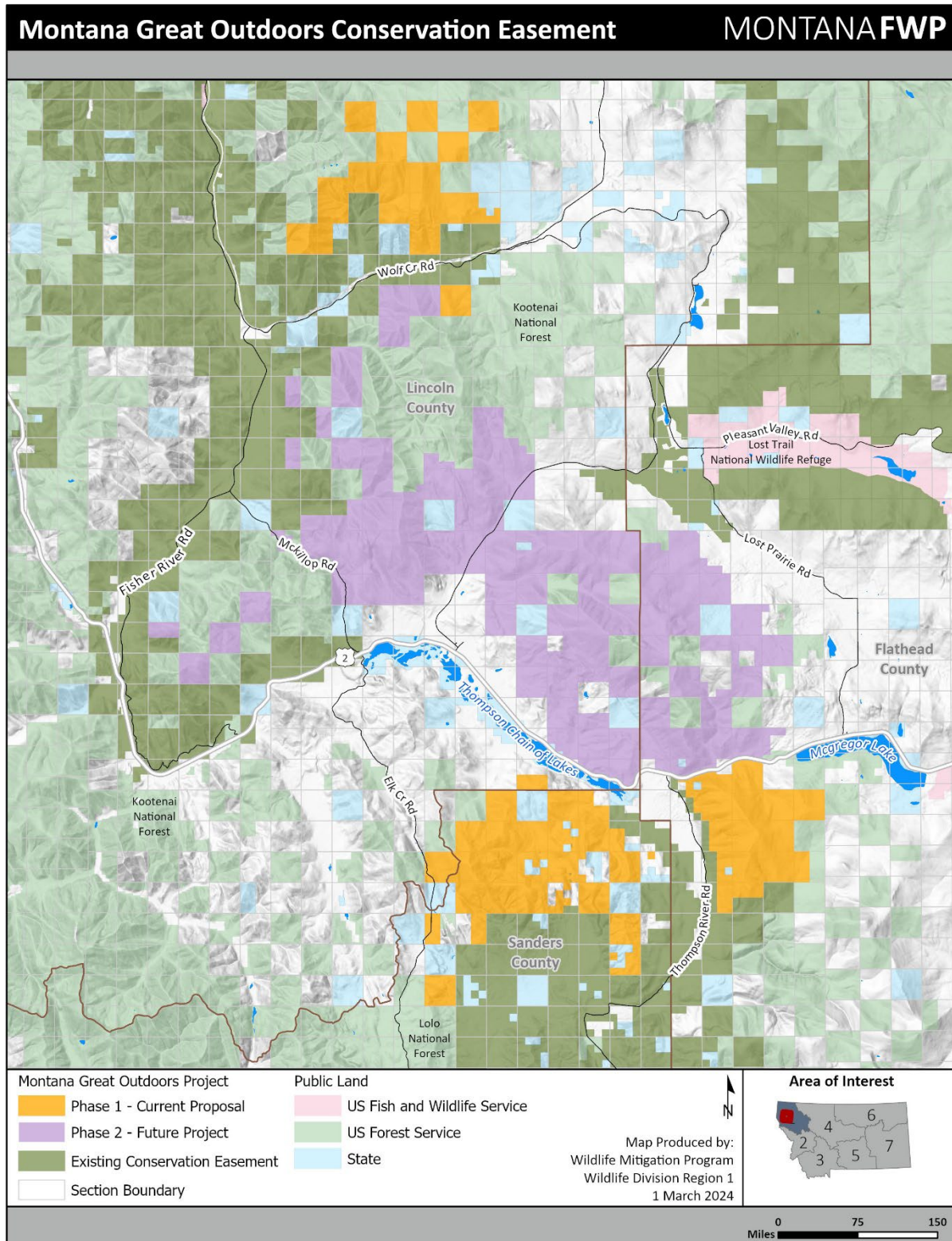
Funding: The appraised value of the proposed Montana Great Outdoors Conservation Easement – Phase 1 is \$39,507,442.25. Secured funding amounts and sources include: \$1,500,000 from Habitat Montana, \$4,179,837.43 from private fundraising coordinated by the Trust for Public Lands, and \$20,000,000 from the U.S. Forest Service (USFS) Forest Legacy Program. The Landowner, Green Diamond Resource Company, will provide \$13,827,604.80 (which is approximately 35% of the value) of in-kind contribution in the form of donated land value arising from the sale of the easement.

Affected Area / Location of Proposed Project

- Legal Description
 - Latitude/Longitude: 47.99124/-115.06927
 - Section, Township, and Range: See Appendix B, page 44 for a complete legal description. Includes portions of T25N R27W, T25N R28W, T26N R26W, T26N R27W, T26N R28W, T29N R28W, T29N R29W, and T30N R28W.
 - Town/City, County, Montana: Between Libby and Kalispell, Flathead, Lincoln, and Sanders counties, Montana

Location Map (Figure 1)

Figure 1: Montana Great Outdoors Conservation Easement – Phase 1 and 2 Project Area



III. General Setting of the Affected Environment

The analysis area for direct, secondary, and cumulative impacts on the physical environment and human population analyzed by this draft EA includes property parcels located within three northwestern Montana counties including Flathead, Lincoln, and Sanders.

Human Population:

As of the latest United States Census, an estimated 103,879 people collectively lived in Flathead, Lincoln, and Sanders counties. The estimate reflects an annual average growth rate across the three affected counties of approximately 3.9% since the year 2000. **Table 1** below summarizes population trends and other relevant data in each of the 3 affected counties. No residences or planned residential development currently exist directly within the affected project area.

Table 1. Population, area, and population density of the 3 affected counties. Counties are listed in descending order by 2021 human population.

County ¹	Population, 2000	Population, 2021	Annual Growth Rate, 2000–2022	Area ² (miles ²)	Population Density
Flathead	74,774	108,454	3.50%	5,098	21.27
Lincoln	18,818	20,525	4.00%	3,619	5.67
Sanders	10,287	12,959	4.10%	2,762	4.69

¹Montana.gov (January 25, 2021)

²Excluding large water bodies

Economics:

In 2021, the median per capita income in the United States was \$37,522, and the median household income was \$70,784. In Montana (statewide), median per capita income was somewhat lower, at \$34,423, with median household income of \$60,560. **Table 2** shows all three affected counties ranked below the U.S. median per capita and household income in 2021.

Table 2. Per capita and mean household incomes, as well as percentage of population below poverty line, for the three affected Montana counties, listed in descending order of per capita income (data from 2021).

County	Per Capita Income	Median Household Income	Population Below Poverty Line (%)
Flathead	\$34,897	\$65,835	10
Lincoln	\$27,417	\$48,156	17
Sanders	\$27,287	\$50,270	15

Agriculture:

Montana supports a large agricultural economy as do the affected counties (**Table 3**; USDA 2017). The most common agricultural activities in these counties include growing grains and oilseeds, hay, and raising cattle and calves. Poultry, hogs, and sheep were also raised in smaller numbers.

Table 3. Agriculture overview for the three affected Montana counties (USDA NRCS 2017).

County	Percent of County Classified as Farmland	Market Value of Products Sold (Million)	Sales by Type % (Crops/Livestock)
Flathead	5%	\$35.9	77/23
Lincoln	2%	\$3.1	32/68
Sanders	36%	\$16.9	31/69

Timber Industry:

Most of Montana’s forested lands (~23 million acres) are located within the mountainous western part of the state. Nearly 4 million acres of these forest lands are permanently reserved as either congressionally designated Wilderness Areas or National Parks. Timber production has declined in Montana since the late 1980s (BBER 2023). In 1988, an estimated 1,163 million board feet (MMBF) were produced compared 324 MMBF in 2022. The three affected counties produced 47% of Montana’s timber volume in 2022 with Flathead County producing 61 MBF, Lincoln County producing 64 MBF, and Sanders County producing 26 MBF (BBER 2023). In 2018, sales from Montana’s forest products industry totaled \$553 million and forest industry employment was 7,981 (Hayes et al. 2021).

Mining and Mineral Rights:

Large mineral deposits, ranging from talc to gold, are located throughout Montana. Of these, metallic minerals provide the largest share of Montana’s non-fuel mining income, with copper, palladium, and platinum leading the list of important metals. The property is not located in an area that has major historic mining (HydroSolutions 2022). Mining claims and mineral exploration has occurred on or adjacent to the property, but large-scale operations have not been reported (HydroSolutions 2022).

The property has a split estate with the surface owned by Green Diamond. Based on a recent mineral title search, ownership of the subsurface mineral rights is divided approximately as follows: 50% owned by Green Diamond, 42% owned by WRH, and 8% by other owners. Efforts to unite the surface and mineral rights on the property have been unsuccessful. Information obtained from SPP Montana reveals that in 2020, SPP Montana, at that time the owner of the entire project area, made an offer to purchase WRH Nevada’s mineral rights. WRH rejected the offer at that time.

The Forest Legacy Program (“FLP”), which provides funding for the proposed Montana Great Outdoors Conservation Easement - Phase 1, requires that the title for the property be free of encumbrances that allow uses incompatible with the FLP, such as mineral reservations (USFS 2017a, pg. 26). However, the mere existence of a third-party mineral interest in a property does not automatically make a property ineligible for FLP funding. Pursuant to pages 26-28 of the FLP Guidelines, a state may conduct a mineral remoteness survey and, if the survey indicates that the possibility of surface disturbance related to the exercise of mineral rights is so remote as to be negligible, the state may determine that third-party interests do not pose a threat to effective protection and management of the property. Accordingly, the project would remain eligible for FLP funding.

Here, limited mineral exploration or mining has occurred on most of the affected property and – based on a 2022 mineral remoteness survey by HyrdoSolutions – the potential for any development of locatable or marketable minerals is negligible. Therefore, FLP eligibility requirements are satisfied with respect to third-party mineral right encumbrances.

Regardless of actual mineral potential, pursuant to Montana Law and the explicit language of Paragraph II.C.7 of the conservation easement, the easement’s terms would apply only to the owner of the surface rights and

would not impact third-party owners of mineral rights within the project area (unless those rights are subordinate to the conservation easement). Should a third-party mineral right holder discover marketable mineral resources in the project area, the conservation easement would not preclude that entity from developing and extracting those resources.

IV. Purpose and Benefits of Proposed Project

FWP’s purpose is to protect fish and wildlife habitat and to maintain permanent free public access with a conservation easement. Without a conservation easement, the current or future landowners could subdivide the property or prohibit public access to the affected property. The proposed conservation easement, to be held by FWP, would provide the following benefits:

- Conserve important fish and wildlife habitat including riparian habitat and wildlife movement corridors.
- Provide further protection for several species currently listed as *Threatened* under the federal ESA (bull trout, grizzly bear, wolverine, and Canada lynx) and numerous state-designated *Species of Concern* (**Table 7, Table 9**).
- Provide permanent free public recreational access and for public hunting, fishing, and other recreation.
- Improve public access to public land.
- Ensure the opportunity for continued, long term, professional management of the forest resources through forest management activities.
- Preclude the potential for non-forestry-related commercial development.
- Expand the existing network of conservation easement lands in the area, including the 142,000-acre Thompson-Fisher Conservation Easement (FWP), the 100,000-acre USFWS Lost Trail Conservation Area (USFWS) and other protected lands including the Kootenai and Lolo National Forests (USFS), the Thompson Chain of Lakes State Park (FWP), and lands owned by the Montana Department of Natural Resources and Conservation (DNRC).

If FWP prepared a cost/benefit analysis before completion of the EA, the EA must contain the cost/benefit analysis or a reference to it. ARM 12.2.432(3)(b).

	Yes*	No
Was a cost/benefit analysis prepared for the proposed project?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

* If yes, a copy of the cost/benefit analysis prepared for the proposed project is included in Attachment A to this Draft EA

V. Other Agency Regulatory Responsibilities

FWP must list any federal, state, and/or local agencies that have overlapping or additional jurisdiction, or environmental review responsibility for the proposed project, as well as permits, licenses, and other required authorizations. ARM 12.2.432(3)(c).

A list of other required local, state, and federal approvals, such as permits, certificates, and/or licenses from affected agencies is included in **Table 4** below. **Table 4** provides a summary of state requirements but does not necessarily represent a complete and comprehensive list of all permits, certificates, or approvals needed. Rather, **Table 4** lists the primary state agencies with regulatory responsibilities, the applicable regulation(s) and the purpose of the regulation(s). Agency decision-making is governed by state and federal laws, including statutes, rules, and regulations, that form the legal basis for the conditions the proposed project must meet to obtain necessary permits, certificates, licenses, or other approvals. Further, these laws set forth the conditions under which each agency could deny the necessary approvals.

Table 4: Federal, State, and/or Local Regulatory Responsibilities

Agency	Type of Authorization (permit, license, stipulation, other)	Purpose
Flathead, Lincoln, and Sanders counties	MCA 76-6-206	Review of proposed conservation easements by local planning authorities to determine compliance with local growth policies. The conservation easement document will be submitted to Flathead, Lincoln, and Sanders counties for review in accordance with this requirement early in the public comment period.
USFS	Forest Legacy Program Implementation Guidelines (2017a)	Provides direction to the USFS and State partners for implementation of the Forest Legacy Program (FLP). Requires development of a MRMP that ensures sustainable forest management into the future.
Montana Department of Natural Resources and Conservation (DNRC)	Forest Legacy Program Implementation Guidelines (2017a)	Forest Legacy Program requirement for State Forester office approval of MRMP.

VI. List of Mitigations, Stipulations

Mitigations, stipulations, and other *enforceable* controls required by FWP, or another agency, may be relied upon to limit potential impacts associated with a proposed Project. **Table 5** below lists and evaluates enforceable conditions FWP may rely on to limit potential impacts associated with the proposed Project. ARM 12.2.432(3)(g).

Table 5: Listing and Evaluation of Enforceable Mitigations Limiting Impacts

<i>Are enforceable controls limiting potential impacts of the proposed action? If not, no further evaluation is needed.</i>		Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
<i>If yes, are these controls being relied upon to limit impacts below the level of significance? If yes, list the enforceable control(s) below</i>		Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Enforceable Control	Responsible Agency	Authority (Rule, Permit, Stipulation, Other)	Effect of Enforceable Control on Proposed Project
Conservation Easement Terms	FWP/USFS	Recorded Conservation Easement	Ensure that the project supports FLP and FWP goals and objectives to protect environmentally important private forest lands (Appendix B). The conservation easement is a permanent binding agreement outlining rights conveyed to FWP and rights reserved by the landowner.
MRMP Terms	FWP/USFS/DNRC	Recorded MRMP	Specific provisions in the MRMP (Appendix C) outline the Open Lands Policy and metrics regarding forest management, livestock grazing management, and the management of other resources. The MRMP is reviewed by the landowner and by FWP and the State Forester's Office, at a minimum of every 10 years, and following a

			change of ownership. Any changes to the MRMP must have the mutual consent of the landowner and FWP.
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VII. Alternatives Considered

In addition to the proposed project, and as required by MEPA, FWP analyzes the "no-action" alternative in this EA. Under the "no-action" alternative, the proposed project would not occur.

The "no-action" alternative forms the baseline from which the potential impacts of the proposed Project can be measured.

	Yes*	No
Were any additional alternatives considered and dismissed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

* If yes, a list and description of the other alternatives considered, but not carried forward for detailed review, is included below

VIII. Terms Used to Describe Potential Impacts on the Physical Environment and Human Population

The impacts analysis identifies and evaluates **direct, secondary, and cumulative impacts**.

- **Direct impacts** are those that occur at the same time and place as the action that triggers the effect.
- **Secondary impacts** "are further impacts to the human environment that may be stimulated or induced by or otherwise result from a direct impact of the action." ARM 12.2.429(18).
- **Cumulative impacts** "means the collective impacts on the human environment of the proposed action when considered in conjunction with other past and present actions related to the proposed action by location or generic type. Related future actions must also be considered when these actions are under concurrent consideration by any state agency through pre-impact statement studies, separate impact statement evaluation, or permit processing procedures." ARM 12.2.429(7).

Where impacts are expected to occur, the impact analysis estimates the **extent, duration, frequency, and severity** of the impact. The duration of an impact is quantified as follows:

- **Short-Term:** impacts that would not last longer than the proposed project.
- **Long-Term:** impacts that would remain or occur following the proposed project.

The severity of an impact is measured using the following:

- **No Impact:** there would be no change from current conditions.
- **Negligible:** an adverse or beneficial effect would occur but would be at the lowest levels of detection.
- **Minor:** the effect would be noticeable but would be relatively small and would not affect the function or integrity of the resource.
- **Moderate:** the effect would be easily identifiable and would change the function or integrity of the resource.
- **Major:** the effect would irretrievably alter the resource.

Some impacts may require mitigation. As defined in ARM 12.2.429, mitigation means:

- Avoiding an impact by not taking a certain action or parts of a project;

- Minimizing impacts by limiting the degree or magnitude of a project and its implementation;
- Rectifying an impact by repairing, rehabilitating, or restoring the affected environment; or
- Reducing or eliminating an impact over time by preservation and maintenance operations during the life of a project or the time period thereafter that an impact continues.

FWP may, as an alternative to preparing an EIS, prepare an EA whenever the action is one that might normally require an EIS, but effects which might otherwise be deemed significant appear to be mitigable below the level of significance through design, or enforceable controls or stipulations, or both, imposed by the agency or other government agencies. For an EA to suffice in this instance, the agency must determine that all the impacts of the proposed action have been accurately identified, that they will be mitigated below the level of significance, and that no significant impact is likely to occur. The agency may not consider compensation for purposes of determining that impacts have been mitigated below the level of significance. ARM 12.2.430(4).

A list of any mitigation strategies including, but not limited to, design, enforceable controls or stipulations, or both, as applicable to the proposed project is included in **Section VI** above.

FWP must analyze impacts to the physical and human environment for each alternative considered. The proposed project considered the following alternatives:

- Alternative 1: No Action
- Alternative 2: Proposed Project

IX. Determining the Significance of Impacts

If the EA identifies impacts associated with the proposed action FWP must determine the significance of the impacts. This determination forms the basis for FWP’s decision as to whether it is necessary to prepare an environmental impact statement. FWP considered the criteria identified in **Table 6** below to determine the significance of each impact on the quality of the physical and human environment. ARM 12.2.431.

The significance determination is made by giving weight to these criteria in their totality. For example, impacts identified as moderate or major in severity may not be significant if the duration is short-term. However, moderate or major impacts of short-term duration may be significant if the quantity and quality of the resource is limited and/or the resource is unique or fragile. Further, moderate or major impacts to a resource may not be significant if the quantity of that resource is high or the quality of the resource is not unique or fragile.

Table 6: Determining the Significance of Impacts

Criteria Used to Determine Significance	
1	<p>The severity, duration, geographic extent, and frequency of the occurrence of the impact</p> <p>“Severity” describes the density of the potential impact, while “extent” describes the area where the impact will likely occur, e.g., a project may propagate ten noxious weeds on a surface area of 1 square foot. Here, the impact may be high in severity, but over a low extent. In contrast, if ten noxious weeds were distributed over ten acres, there may be low severity over a larger extent.</p>

	“Duration” describes the time period during which an impact may occur, while “frequency” describes how often the impact may occur, e.g., an operation that uses lights to mine at night may have frequent lighting impacts during one season (duration).
2	The probability that the impact will occur if the proposed project occurs; or conversely, reasonable assurance in keeping with the potential severity of an impact that the impact will not occur
3	Growth-inducing or growth-inhibiting aspects of the impact, including the relationship or contribution of the impact to cumulative impacts
4	The quantity and quality of each environmental resource or value that would be affected, including the uniqueness and fragility of those resources and values
5	The importance to the state and to society of each environmental resource or value that would be affected
6	Any precedent that would be set as a result of an impact of the proposed project that would commit FWP to future actions with significant impacts or a decision in principle about such future actions
7	Potential conflict with local, state, or federal laws, requirements, or formal plans

X. Cumulative Impact Analysis

For the purposes of MEPA, "cumulative impact" means the collective impacts on the human environment of the proposed action when considered in conjunction with other past and present actions related to the proposed action by location or generic type. Related future actions must also be considered when such actions are under concurrent consideration by any state agency through pre-impact statement studies, separate impact statement evaluation, or permit processing procedures. ARM 12.2.429(7).

Under the “No Action” alternative, the proposed project would not occur. Therefore, no cumulative impacts to the physical or human environment in the analysis area would occur. The “No Action” alternative forms the baseline from which the potential impacts of the proposed project are measured. For the purposes of the proposed project, the cumulative impacts analysis below applies to all resources analyzed under Alternative 2, Proposed Project (Section XII.A and B).

No significant adverse cumulative impacts would be expected because of the proposed project. However, under the proposed action, cumulative impacts would occur. The information below identifies related past, present, and future actions (i.e., activities to be considered under the cumulative impacts analysis). Actions considered in these analyses were identified by FWP and other subject matter experts. Past and present actions are accounted for as part of the existing, or “baseline,” environmental conditions. MEPA is forward-looking, with analyses focused on the potential impacts of the proposed action with consideration for any past, present, or future related actions.

Related Past, Present, and Future Actions:

- Block Management Program (FWP) - annual hunting access agreements with private landowners.
- Upper Thompson Conservation Easement (FWP Proposed 2023)
- Lost Trail Conservation Area (USFWS 2022)
- Thompson Fisher Conservation Easement (FWP 2003)

Further, several guiding documents inform, have informed, and will continue to inform actions associated with the area affected by the proposed project. These guiding documents outline strategies and considerations for taking management action and addressing any potential impacts from such management actions. These guiding documents include the following:

- FWP State Wildlife Action Plan (2015) – currently under revision
- FWP Elk Management Plan (2023)
- FWP Gray Wolf Management Plan (2003) – currently under revision
- Grizzly Bear Recovery Plan (USFWS 1993 and 2018)
- FWP Grizzly Bear Management Plan for Western Montana (2006-2016)
- Statewide Grizzly Bear Management Plan (FWP 2022 DRAFT)
- 2007 MOU and Conservation Agreement for Westslope and Yellowstone Cutthroat Trout in Montana
- Bull Trout Recovery Plan (USFWS 2002)
 - Revised Designation Critical Habitat for Bull Trout (USFWS 2010)
- Conservation Strategy for Interior Redband (USFWS 2016)
- Canada Lynx Conservation Assessment and Strategy, Revised Designated Habitat (USFWS 2014)
- Montana Bald Eagle Management Guidelines (FWP 2010)
- Conservation Plan for the Common Loon in Montana (FWP 2009)
- Sustainable Forestry Initiative (SFI 2022)
- State of Montana Forestry Best Management Practices (DNRC 2015)
- Area Metals, Nutrients, Sediment, and Temperature TMDLs and Water Quality Improvement Plans for the Kootenai-Fisher and Thompson project areas (DEQ 2014a, 2014b)

The area affected by the proposed project would continue to be managed/protected according to guidance and requirements provided by the documents and affected agencies listed above. These guiding documents and affected agencies would ensure the proposed project is conducted in a manner that is consistent with similar past, present and future actions at the affected site, which would limit the potential for any adverse cumulative impacts to the physical environment and human population affected by the proposed project. Therefore, FWP expects that any cumulative impacts associated with the proposed project would be long-term, negligible to moderate, and beneficial. FWP is unaware of any other past, present, or future relevant/related projects occurring within or near the affected area that would be cumulatively impacted by the proposed project.

XI. Alternative 1: No Action. Evaluation and Summary of Potential Impacts on the Physical Environment and Human Population

Under the “No Action” alternative, the proposed project would not occur. Green Diamond would continue to own the property without the restrictions of the proposed conservation easement. Green Diamond may, at some future time, change their public access policies or decide to develop or sell some or all the affected property depending on company priorities and market conditions, which may open important wildlife habitat to the potential for residential, industrial, and/or commercial development; jeopardize key wildlife habitat and connectivity corridors; and eliminate FWP’s objective to build on the successes of other nearby conservation projects. The “No Action” alternative forms the baseline from which the potential impacts of the proposed Project can be measured.

XII. Alternative 2: Proposed Project. Evaluation and Summary of Potential Impacts on the Physical Environment and Human Population

A. Evaluation and Summary of Potential Impacts on the Physical Environment

1. Terrestrial, Avian, and Aquatic Life and Habitats

Existing Environment/Baseline Conditions (No Action Alternative): Most of habitat within the property consists of Douglas-fir and mixed coniferous forest interspersed with riparian and wetland complexes. Land cover classifications include Rocky Mountain Mesic Montane Mixed Conifer Forest (29%) and Rocky Mountain Dry-Mesic Montane Mixed Conifer Forest (28%; https://fieldguide.mt.gov/displayES_LCLU.aspx).

Wildlife species using the affected area include white-tailed deer, mule deer, moose, elk, bear, mountain lion, and numerous birds, reptiles, and amphibians. Additional information on big game, species of concern, and endangered species is discussed in Unique, Endangered, Fragile, or Limited Environmental Resources *XII A 8.*)

Direct Impacts: No significant adverse direct impacts would be expected because of the proposed project. Approval and implementation of the proposed conservation easement would not change existing land use practices or otherwise directly impact any terrestrial, avian, or aquatic life and habitats located within the affected Phase 1 property. Therefore, no direct impacts would be expected because of the proposed project.

Secondary Impacts: No significant adverse secondary impacts would be expected because of the proposed project. The proposed conservation easement would ensure that the project area would never be subdivided for residential development or other uses that would adversely affect wildlife resources. Without a conservation easement, residential subdivision would likely occur over portions of the property. 2020 census data indicates that small communities near the project area have experienced a 15% population increase since 2010 and Montana corporate timber owners have been receiving 8-16 unsolicited offers/month to sell parcels of land located within and around the affected Phase 1 property. The proposed conservation easement would prohibit development or the conversion of the land to non-forest uses, preventing fragmentation and ensuring that the property maintains high-quality fish and wildlife habitat. Long-term, major, and beneficial secondary impacts to terrestrial, avian, and aquatic life and habitats would be expected because of the proposed project considering the conservation easement would improve habitat quality and prevent future habitat loss and fragmentation in perpetuity.

Cumulative Impacts: No significant adverse cumulative impacts would be expected because of the proposed project. Completion of the proposed project would complement habitat conservation efforts in western Montana including the proposed 52,810-acre Phase 2 of the Montana Great Outdoors Conservation Easement, the proposed 47,907-acre Upper Thompson Connectivity Project, and the 100,000-acre Lost Trail Conservation Area, as well as a large network of private land conservation easements, USFS lands, and state-owned lands. The conservation easement would also protect connectivity corridors for wide-ranging species such as elk, white-tailed deer; and numerous other game and nongame species. Long-term, major, and beneficial cumulative impacts to terrestrial, avian, and aquatic habitats would be expected because of the proposed project. See Section X, Cumulative Impacts Analysis, for additional and related information.

2. Water Quality, Quantity, and Distribution

Existing Environment/Baseline Conditions (No Action Alternative): The project area includes approximately 52 miles of streams including Dunn Creek, Richards Creek, McGregor Creek, Twin Lakes Creek, Boiling Springs Creek, and North Fork Murr Creek. These streams form the headwaters of the Fisher River which ultimately flows west into the Kootenai River near Libby, MT as well as the headwaters of the Thompson River, which flows south towards Thompson Falls, MT, where it joins the Clark Fork River. Water quality is stream dependent and ranges from good condition to impaired (Montana DEQ 2014a, 2014b). McGregor Creek located on the proposed Phase 1 property west of McGregor Lake is a DEQ-listed impaired stream due to sedimentation and high stream temperature (DEQ 2014b).

Direct Impacts: No significant adverse direct impacts would be expected because of the proposed project. The proposed project constitutes the establishment of a conservation easement on the affected Phase 1 property for the purposes provided in *Section IV, Purpose and Benefits of the Proposed Project*. The proposed Phase 1 project would not directly impact water quality, would not require the use of any additional new water resources, and would not affect the distribution of any existing water resources located within or near the proposed Phase 1 property. Therefore, no direct impacts to water quality, quantity, or distribution would be expected because of the proposed project.

Secondary Impacts: No significant adverse secondary impacts would be expected because of the proposed project. The proposed conservation easement would prohibit the conversion of the property to uses, such as residential, industrial, or non-forestry related commercial development, which could otherwise adversely impact water quantity, distribution, and quality in the affected area. If developed, residential housing, industrial, or non-forestry related commercial development would require new use of existing water resources for the purposes of potable and non-potable water. Further, industrial, and non-forestry related commercial operations may involve processes with the potential for effluent pollution of existing water resources in the proposed Phase 1 project area. Also, residential housing would use septic systems to manage human waste, which, if not properly maintained, could cause nutrient additions to streams thereby promoting algal growth and otherwise adversely impacting water quality.

Additionally, forest Best Management Practices (BMPs) required by the conservation easement would likely result in more riparian vegetation retention compared to state law applicable to private landowners, which focus only on vegetation within the banks of an affected stream. These forest management and grazing metrics are anticipated to benefit water quality over time by protecting streambank stability and riparian soils. New, enforceable forest management and grazing strategies under the proposed Phase 1 conservation easement would, in part, be implemented to reduce existing adverse impacts, and the potential for new adverse impacts to existing water resources by protecting streambank stability and riparian soils and improving water quality over time. Overall, the proposed Phase 1 project would not require the new use of any existing water resources and would not affect the distribution of any existing water resources located within or near the proposed Phase 1 property; therefore, no secondary impacts to water quantity or distribution would be expected because of the proposed project. Any secondary impacts to water quality would be long-term, minor to moderate, and beneficial.

Cumulative Impacts: No significant adverse cumulative impacts would be expected because of the proposed project. The proposed conservation easement would complement existing conservation efforts in western Montana including the proposed 52,810-acre Phase 2 of the Montana Great Outdoors Conservation Easement, the proposed 47,907-acre Upper Thompson Connectivity Project, the 100,000-

acre Lost Trail Conservation Area, as well as a large network of private conservation easements, USFS, and state lands. Phase 1 of Montana Great Outdoors would contribute to improved water quality both on the property and downstream by requiring forestry and grazing BMPs and by prohibiting the conversion of these lands to non-forest uses. Long-term, moderate, and beneficial cumulative impacts to water resources would be expected because of the proposed project. See Section X, Cumulative Impacts Analysis, for additional and related information.

3. Geology

Existing Environment/Baseline Conditions (No Action Alternative): The project area is located within the Libby Thrust Belt and the geology is dominated by metasedimentary rocks common in the Belt Supergroup which covers much of Montana and Idaho. The property has a split estate with the surface rights owned by Green Diamond and the mineral rights divided approximately as follows: 50% owned by Green Diamond, 42% owned by WRH, and 8% owned by other owners. The conservation easement terms would apply only to the owner of the surface rights and would not impact third-party owners of mineral rights in the project area. However, limited mineral exploration or mining has occurred on most of the affected property and there is a low potential for any development of locatable or leasable minerals (HydroSolutions 2022). Also, see Section III, General Setting of the Affected Environment, for additional and related information.

Direct Impacts: No significant adverse direct impacts would be expected because of the proposed project. Approval and implementation of the proposed conservation easement would not change existing land use practices or otherwise disturb any geologic features located within the affected Phase 1 property. Therefore, no direct adverse impacts to geology would be expected because of the proposed project.

Secondary Impacts: No significant adverse secondary impacts would be expected because of the proposed project. The proposed conservation easement and associated MRMP (Appendix B and C) would prohibit mineral exploration or extraction other than the extraction of a limited amount of sand and gravel materials needed by the surface rights landowner for forestry operations such as road maintenance, construction of timber yards, etc. The conservation easement and MRMP restrict the size and number of gravel pits Green Diamond would be allowed to operate on the property.

Regarding the land affected by the proposed project, the mineral estate is severed from the surface rights; therefore, the proposed conservation easement would not restrict access or the opportunity for developers of the mineral estate from mineral mining, prospecting, or exploration activities. However, as discussed in Part III of this EA, the evaluation of mineral potential in the affected Phase 1 area indicates negligible potential for the occurrence or development of existing mineral resources (HydroSolutions 2022). Because Green Diamond would be prohibited from extracting mineral resources under the conservation easement, Green Diamond's gravel pit development would be limited by the conservation easement, and a mineral survey indicates that there is negligible potential for third-party development of mineral resources, any secondary impacts from the proposed conservation easement would be long-term, moderate, and beneficial.

Cumulative Impacts: No significant adverse cumulative impacts would be expected because of the proposed project. The proposed easement would limit gravel extraction for use on the property by the surface owner but would not restrict mineral development options by third party mineral owners. The proposed project would build on similar conservation easement projects that also limit gravel

development activities in western Montana including the proposed 52,810-acre Phase 2 of the Montana Great Outdoors Conservation Easement, the proposed 47,907-acre Upper Thompson Connectivity Project, the 100,000-acre Lost Trail Conservation Area, as well as other lands protected with private conservation easements. Therefore, it would be expected that the proposed conservation easement would have long-term, minor, beneficial cumulative impacts to geology resources considering that the surface rights landowner would be prohibited from extracting mineral resources and gravel pit development would be limited. As with these earlier conservation easements, subsurface minerals under third party ownership would be unaffected by this proposal. See Section X, Cumulative Impacts Analysis, for additional and related information.

4. Soil Quality, Stability, and Moisture

Existing Environment/Baseline Conditions (No Action Alternative): The geography of the property is dominated by mountainous, forest-covered terrain cut by long linear valleys. Soil types as identified by the U.S.D.A. Natural Resources Conservation Service (NRCS) that are represented throughout the project lands at greater than 5% occurrence include: Andic Dystrachrepts-rock outcrop complex, glaciated mountain slopes (13%); Andic Dystrachrepts, glaciated mountain slopes (17%); and Phillcher-Rock Outcrop-Sig complex, dissected glaciated mountain slopes (6%) (NRCS 2023). Approximately 69 other soil types exist on the project lands but make up less than 5% of soil types in the area. Existing activities that could impact soil resources include logging, grazing, and gravel pit operation. The landowners would be required to adhere to Montana's Forestry BMPs, which includes practices to stabilize erodible soils, maintain erosion control features, return soil nutrients, and minimize soil disturbance and compaction.

Direct Impacts: No significant adverse direct impacts would be expected because of the proposed project. Approval and implementation of the proposed conservation easement would not change existing land use practices or otherwise directly disturb any soil features located within the affected Phase 1 property. Therefore, no direct adverse impacts would be expected because of the proposed project.

Secondary Impacts: No significant adverse secondary impacts would be expected because of the proposed project. The proposed conservation easement would place limitations on future uses of the property that could otherwise adversely impact soil resources such as residential development. If allowed, various types of residential or industrial development could increase soil erosion due to ongoing soil disturbance and changes in the rate of surface runoff. The conservation easement and associated MRMP would restrict such development and would require that the landowner continue to apply Forestry and Grazing BMPs to protect soils against erosion, maintain streambank stability and riparian soil protection, and would limit gravel pit construction (Appendix B and C) leading to reduced soil disturbance and improved soil health over time. The landowner would continue to follow state of Montana 310 law which minimizes stream sedimentation. Long-term, moderate, and beneficial secondary impacts to soils would be expected because of the proposed project.

Cumulative Impacts: No significant adverse cumulative impacts would be expected because of the proposed project. The proposed conservation easement would complement proposed and ongoing projects such as the proposed 52,810-acre Phase 2 of the Montana Great Outdoors Conservation Easement, the proposed 47,907-acre Upper Thompson Connectivity Project, and the 100,000-acre Lost Trail Conservation Area. The proposed project would also contribute to a large network of existing USFS

lands, state lands, and private lands protected with conservation easements, all of which adhere to conservation measures to protect soils, contributing to soil health and stability in the greater landscape. Long-term, moderate, and beneficial cumulative impacts to soils would be expected because of the proposed project. See Section X, Cumulative Impacts Analysis, for additional and related information.

5. Vegetation Cover, Quantity, and Quality

Existing Environment/Baseline Conditions (No Action Alternative): Coniferous forests dominate the project area and consist primarily of Douglas-fir habitat types (Pfister et. al. 1977). However, forest type varies according to elevation and aspect with xeric forest types such as ponderosa pine occurring at low-elevations or on south facing slopes. Shade-tolerant species such as grand fir and subalpine fir are more prevalent on north-facing slopes and at higher elevation portions of the project area. Engelmann spruce and western red cedar are more common in riparian areas. Small amounts of deciduous trees including cottonwood, aspen, and birch occur along creeks and near wetland areas.

Vegetation quantity and quality on the property has historically been impacted by timber harvest practices, grazing, wildfire, and noxious weeds. Timber stands vary in age from young regeneration to commercial saw timber, but much of the existing timber volume consists of young stands, given the history of timber harvest in the past 30 years. The property contains approximately 90% forested canopy cover ($\geq 10\%$ canopy cover of trees; USFS 216, 2017b). Cattle grazing occurs on approximately 7,526 acres of grazing allotments (23% of project area) located primarily south of the Thompson Chain of Lakes in the Tornilla Creek, Indian Creek, and Whitney Creek drainages and likely impacts understory vegetation structure and species composition. Noxious weeds are present in the project area and mostly occur in disturbed areas, particularly along existing roads, and log landings. There are 27 state listed noxious plant species present including spotted knapweed (*Centaurea stoebe*), meadow hawkweed (*Hieracium caespitosum*), orange hawkweed (*Hieracium aurantiacum*), and tansy ragwort (*Senecio jacobaea*) (MTNHP data, data, 12 February 2024, Appendix D). Ventenata (*Ventenata dubia*), a new invader in the Libby, Fisher, and Koochanusa areas, is also present in the project area and is of particular concern (Lincoln County 2020).

Direct Impacts: No significant adverse direct impacts would be expected because of the proposed project. Approval and implementation of the proposed conservation easement would not change existing land use practices or otherwise disturb any vegetation located within the affected Phase 1 property. Therefore, no direct adverse impacts to vegetation would be expected because of the proposed project.

Secondary Impacts: No significant adverse secondary impacts would be expected because of the proposed project. The proposed conservation easement would maintain or improve vegetation resources by preventing the conversion of land to non-forest uses such as residential or commercial development. The easement would also require a minimum forest cover of 75%. Noxious weed control would remain the legal responsibility of current and future owners of this property. Overall, the conservation easement is anticipated to improve forest management and grazing practices. Therefore, long-term, moderate, beneficial secondary impacts to vegetation cover, quantity, and quality are anticipated.

Cumulative Impacts: No significant adverse cumulative impacts would be expected because of the proposed project. The conservation easement would prevent the conversion of the property to non-forest uses and would require sustainable forest management and grazing practices, contributing to

forest health in the greater landscape and building on a network of protected lands including the proposed 52,810-acre Phase 2 of the Montana Great Outdoors Conservation Easement, the proposed 47,907-acre Upper Thompson Connectivity Project, the 100,000-acre Lost Trail Conservation Area, as well as USFS lands, state lands, and other private lands protected with conservation easements. Long-term, major, and beneficial cumulative impacts to vegetation cover, quantity, and quality would be expected because of the proposed project. See Section X, Cumulative Impacts Analysis, for additional and related information.

6. Aesthetics

Existing Environment/Baseline Conditions (No Action Alternative): The project area is 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 project area is visible to the approximately 600 thousand vehicles per year that travel through the project area along 10 miles of Highway 2. It is also visible to visitors to the Thompson Chain of Lakes State Park, which is adjacent to the project area.

Direct Impacts: No significant adverse direct impacts would be expected because of the proposed project. Approval and implementation of the proposed conservation easement would not change existing land use practices or otherwise disturb the aesthetic nature of the affected Phase 1 property. Therefore, no direct adverse impacts to aesthetics would be expected because of the proposed project.

Secondary Impacts: No significant adverse secondary impacts would be expected because of the proposed project. The proposed conservation easement would maintain aesthetic values by protecting wildlife habitat and preventing any future residential development in the affected area. Although timber harvest and other resource extraction activities would continue, as specified in the conservation easement and associated MRMP (Appendix B and C), no residential or non-forestry related commercial development would be allowed to occur under the proposed project. The conservation easement would prevent the conversion of current working forestlands to non-forest uses and preserve the scenic qualities of the area. Long-term, major, and beneficial secondary impacts to aesthetics would be expected because of the proposed project.

Cumulative Impacts: No significant adverse cumulative impacts would be expected because of the proposed project. The conservation easement would contribute to scenic undeveloped viewsheds along with the proposed 52,810-acre Phase 2 of the Montana Great Outdoors Conservation Easement, the proposed 47,907-acre Upper Thompson Connectivity Project, the 100,000-acre Lost Trail Conservation Area, and adjacent USFS lands, state lands, and other private lands protected with conservation easements. Long-term, major, and beneficial cumulative effects to aesthetics would be expected because of the proposed project. See Section X, Cumulative Impacts Analysis, for additional and related information.

7. Air Quality

Existing Environment/Baseline Conditions (No Action Alternative): No significant point sources of air pollution are present in the project area and overall, air quality in the area affected by the proposed project is currently unclassifiable or in compliance with applicable national ambient air quality standards

(NAAQS). Existing sources of air pollution in the area are limited and generally include unpaved county roads (fugitive dust source), vehicle exhaust emissions, and prescribed fire and slash burning. Wildfire may also occasionally occur in the affected area.

Direct Impacts: No significant adverse direct impacts would be expected because of the proposed project. Approval and implementation of the proposed conservation easement would not change existing land use practices or otherwise result in any new or changed potential sources of air pollution within the affected Phase 1 property. Therefore, no direct adverse impacts to air quality would be expected because of the proposed project.

Secondary Impacts: No significant adverse secondary impacts would be expected because of the proposed project. The proposed conservation easement would place limitations on future uses of the property such as industrial or residential development, which could otherwise adversely impact air quality. Smoke from prescribed and wildfire events would continue to occasionally impact the airshed. Because air quality in the affected area is currently unclassifiable or attaining compliance with the applicable NAAQS, the proposed project would not be expected to cause or contribute to a violation of the applicable NAAQS for particulate matter (TSP, PM₁₀, PM_{2.5}). Long-term, moderate, and beneficial secondary impacts to air quality would be expected because of the proposed project.

Cumulative Impacts: No significant adverse cumulative impacts would be expected because of the proposed project. The proposed conservation easement would prevent conversion of the property to non-forest uses and would require sustainable forest management practices, limiting future activities, which may cause or contribute to a violation of the applicable NAAQS. Overall, the proposed project would be expected to contribute to improved air quality in the greater airshed. The proposed project would complement other protected lands including the proposed 52,810-acre Phase 2 of the Montana Great Outdoors Conservation Easement, the proposed 47,907-acre Upper Thompson Connectivity Project, the 100,000-acre Lost Trail Conservation Area, and adjacent USFS lands, state lands, and other private lands protected with conservation easements. Long-term, moderate, and beneficial cumulative impacts to air quality would be expected because of the proposed project. See Section X, Cumulative Impacts Analysis, for additional and related information.

8. Unique, Endangered, Fragile, or Limited Environmental Resources

Existing Environment/Baseline Conditions (No Action Alternative): The property contains high-conservation priority Tier I terrestrial community types as identified in Montana's State Wildlife Action Plan (FWP 2015) including 84% conifer-dominated forest and woodland (xeric-mesic), 8% deciduous shrubland, as well as smaller amounts of floodplain and riparian habitat, wet meadow, and marsh community types.

The project area provides habitat for grizzly bear, Canada lynx, and wolverine; ESA-listed Threatened species which require large, resilient landscapes for their survival. The Cabinet-Yaak grizzly bear population contains approximately 60 bears and preserving genetic linkage to neighboring populations by protecting connectivity corridors, is critical to their survival and recovery. Grizzlies forage on the property and use the land as a movement corridor between the NCDE and CYE grizzly bear recovery zones, as well as for movements into Canada, Idaho, and Washington (Proctor et al. 2015). Canada lynx also use the project area and approximately 2,564 acres (8% of the property) of lands located north of Wolf Creek are designated as lynx critical habitat (USFWS 2014). Wolverine have also been observed on the property and approximately 935 acres (3% of the property) are potential wolverine habitat.

Additionally, many of the streams on the property form the headwaters to critical habitat streams for ESA-listed Threatened Bull trout, such as the Fisher and the Thompson rivers (USFWS 2010). The property likely also has other important animal habitat such as bat roosting areas (i.e., maternity roosts, hibernacula, or bachelor roosts) consisting of snags or rock outcrops.

Approximately 37 Montana fish and wildlife Species of Concern have been documented using the property, have potential habitat on the property or occupy immediately adjacent lands including westslope cutthroat trout, hoary bat, northern goshawk, veery, and northern alligator lizard (**Table 7**, Montana Natural Heritage Program [MTNHP] data, 21 February 2024). Columbia River redbands, a unique rainbow trout subspecies and the only rainbows native to Montana, are also found in the project area and are highly susceptible to adverse impacts associated with habitat loss.

The property also falls within Priority Area E (the Heart of the Salish) of the 2020 Montana Action Plan for federal Secretarial Order 3362 (SO3362), which directs Department of Interior agencies to work with western state agencies and private landowners to protect critical big game habitat, including migration corridors, stopover habitat, and seasonal ranges that this property provides. Due to the abundance of ungulates, the project area is home to four wolf packs. Bald eagles, which are a Montana special status species, can also be found on the property. Relevant fish and wildlife management documents are summarized in **Table 8**.

One plant Species of Concern, tufted club-rush (*Trichophorum cespitosum*), has been documented on the property. The property also provides potential habitat for an additional 40 plant Species of Concern (MTNHP data, data, 12 February 2024; **Table 9**).

Table 7: Montana Fish and Wildlife Species of Concern and ESA-Listed Threatened Species with Potential Habitat in or Near the Conservation Easement

Common Name	Scientific Name	Common Name	Scientific Name
Mammals		Common Loon	<i>Gavia immer</i>
Canada Lynx	<i>Lynx canadensis</i>	Evening Grosbeak	<i>Coccothraustes vespertinus</i>
Fisher	<i>Pekania pennanti</i>	Flammulated Owl	<i>Psiloscoops flammeolus</i>
Fringed Myotis	<i>Myotis thysanodes</i>	Great Blue Heron	<i>Ardea herodias</i>
Grizzly Bear	<i>Ursus arctos</i>	Great Gray Owl	<i>Strix nebulosa</i>
Hoary Bat	<i>Lasiurus cinereus</i>	Northern Goshawk	<i>Accipiter gentilis</i>
Little Brown Myotis	<i>Myotis lucifugus</i>	Pacific Wren	<i>Troglodytes pacificus</i>
Long-eared Myotis	<i>Myotis evotis</i>	Pileated Woodpecker	<i>Dryocopus pileatus</i>
Long-legged Myotis	<i>Myotis Volans</i>	Varied Thrush	<i>Ixoreus naevius</i>
Northern Bog Lemming	<i>Synaptomys borealis</i>	Veery	<i>Catharus fuscescens</i>
Preble's Shrew	<i>Sorex preblei</i>	Yellow-billed Cuckoo	<i>Coccyzus americanus</i>
Townsend's Big-eared Bat	<i>Corynorhinus townsendii</i>	Reptiles	
Western Pygmy Shrew	<i>Sorex eximius</i>	Northern Alligator Lizard	<i>Elgaria coerulea</i>
Wolverine	<i>Gulo gulo</i>	Western Skink	<i>Plestiodon skiltonianus</i>
Yuma Myotis	<i>Myotis yumanensis</i>	Amphibians	
Birds		Coeur d'Alene Salamander	<i>Plethodon idahoensis</i>
Black Tern	<i>Chlidonias niger</i>	Western Toad	<i>Anaxyrus boreas</i>
Boreal Chickadee	<i>Poecile hudsonicus</i>	Fish	

Brown Creeper	<i>Certhia americana</i>	Columbia River Redband Trout	<i>Oncorhynchus mykiss gairdneri</i>
Cassin's Finch	<i>Haemorhous cassinii</i>	Torrent Sculpin	<i>Cottus rhotheus</i>
Clark's Nutcracker	<i>Nucifraga columbiana</i>	Westslope Cutthroat Trout	<i>Oncorhynchus clarkii lewisi</i>

Table 8: Relevant Fish and Wildlife Management Documents

Species	Document	Application
Gray Wolf	2003 Montana Gray Wolf Conservation and Management Plan	Four wolf packs use this property. FWP obtained full authority to manage wolves in Montana upon the federal delisting of the Rocky Mountain gray wolf in May 2011.
Westslope Cutthroat Trout	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 for Westslope Cutthroat Trout in Montana as identified by a host of government agencies, non-profit organizations, and other stakeholders.
Bull Trout	2002 Bull Trout Recovery Plan and 2010 Revised Designation Critical Habitat for Bull Trout	The project area drains into the Fisher and Thompson rivers, which are identified as critical bull trout habitat in the USFWS's 2010 Revised Designation Critical Habitat for Bull Trout.
Columbia River Redband Trout	2016 Conservation Strategy for Interior Redband	The project area is occupied habitat for Redband and is in the Kootenai Geographic Management Unit identified in the Conservation Strategy.
Canada Lynx	2014 Canada Lynx Conservation Assessment and Strategy, Revised Designated Habitat	The northern portion of the property is lynx critical habitat. The entire property provides a movement corridor.
Grizzly Bear	1993 and 2018 Grizzly Bear Recovery Plan; and 2022 Montana Grizzly Bear Management Plan (Draft)	Grizzly bears forage and reproduce in the project area. The area also provides a connectivity corridor between the Northern Continental Divide and the Cabinet-Yaak ecosystems, as well as connectivity to Canada, Idaho, and Washington.
Bald Eagle	2010 Montana Bald Eagle Management Guidelines	Nesting has been confirmed in the project area.
Species of Greatest Conservation Need	2015 State Wildlife Action Plan	The project area is in the Salish Terrestrial Focal Areas (Tier 1) as well as the Thompson Focal Area (Tier 2), which were identified in the plan as in greatest need of conservation.

Table 9. Plant Species of Concern with Potential Habitat in or Near the Conservation Easement

Common Name	Scientific Name	Common Name	Scientific Name
Tapertip Onion	<i>Allium acuminatum</i>	Slender Cottongrass	<i>Eriophorum gracile</i>
Round-leaved Orchis	<i>Amerorchis rotundifolia</i>	Western Pearl-flower	<i>Heterocodon rariflorum</i>
Upward-lobed Moonwort	<i>Botrychium ascendens</i>	Scalegod	<i>Idahoia scapigera</i>
Wavy Moonwort	<i>Botrychium crenulatum</i>	Spiny-spore Quillwort	<i>Isoetes echinospora</i>
Western Moonwort	<i>Botrychium hesperium</i>	Idaho Lovage	<i>Ligusticum verticillatum</i>
Lanceleaf Moonwort	<i>Botrychium lanceolatum</i>	Stalk-leaved Monkeyflower	<i>Mimulus ampliatus</i>

Linearleaf Moonwort	<i>Botrychium lineare</i>	Short-flowered Monkeyflower	<i>Mimulus breviflorus</i>
Michigan Moonwort	<i>Botrychium michiganense</i>	Floriferous Monkeyflower	<i>Mimulus floribundus</i>
Peculiar Moonwort	<i>Botrychium paradoxum</i>	Adder's Tongue	<i>Ophioglossum pusillum</i>
Stalked Moonwort	<i>Botrychium pedunculosum</i>	Northern Beechfern	<i>Phegopteris connectilis</i>
Northern Moonwort	<i>Botrychium pinnatum</i>	Whitebark Pine	<i>Pinus albicaulis</i>
Least Moonwort	<i>Botrychium simplex</i>	Blunt-leaved Pondweed	<i>Potamogeton obtusifolius</i>
Watershield	<i>Brasenia schreberi</i>	Dwarf woolly-heads	<i>Psilocarphus brevissimus</i>
Creeping Sedge	<i>Carex chordorrhiza</i>	Northern Buttercup	<i>Ranunculus pedatifidus</i>
Pointed Broom Sedge	<i>Carex scoparia</i>	Nagoonberry	<i>Rubus arcticus</i>
Panic Grass	<i>Dichanthelium acuminatum</i>	Pod Grass	<i>Scheuchzeria palustris</i>
Crested Shieldfern	<i>Dryopteris cristata</i>	Water Bulrush	<i>Schoenoplectus subterminalis</i>
Beaked Spikerush	<i>Eleocharis rostellata</i>	Spalding's Catchfly	<i>Silene spaldingii</i>
Giant Helleborine	<i>Epipactis gigantea</i>	Tufted Club-rush	<i>Trichophorum cespitosum</i>
Linear-leaf Fleabane	<i>Erigeron linearis</i>	Flatleaf Bladderwort	<i>Utricularia intermedia</i>

Direct Impacts: No significant adverse direct impacts would be expected because of the proposed project. Approval and implementation of the proposed conservation easement would not change existing land use practices or otherwise disturb any wildlife or their habitats in the affected area, including habitats used by the state and federally listed species identified above. Therefore, no direct adverse impacts to any unique, endangered, fragile, or limited environmental resources that locate or potentially locate within the affected area would be expected because of the proposed project.

Secondary Impacts: No significant adverse secondary impacts would be expected because of the proposed project. The proposed conservation easement would ensure the project area would never be subdivided for residential development and/or other uses that may adversely affect unique, endangered, fragile, or limited environmental resources. Forest management and grazing BMPs would be expected to improve habitat quality for native fish inhabiting the streams, rivers, lakes, ponds, and reservoirs located within the affected area as well as any other ESA-listed or species of special concern that may inhabit or use the affected area by improving water quality. Snag retention and vegetation retention measures would also improve habitat quality for ESA-listed and sensitive wildlife species. Long-term, major, and beneficial secondary impacts to unique, endangered, fragile, or limited environmental resources would be expected because of the proposed project.

Cumulative Impacts: No significant adverse cumulative impacts would be expected because of the proposed project. Completion of the proposed project would complement habitat conservation efforts in western Montana including the proposed 52,810-acre Phase 2 of the Montana Great Outdoors Conservation Easement, the proposed 47,907-acre Upper Thompson Connectivity Project, the 100,000-acre Lost Trail Conservation Area, as well as a large network of private conservation easements, USFS, and state lands. The proposed conservation easement would connect to USFS and DNRC lands, preserving genetic linkage to neighboring populations of affected species. The proposed project would protect connectivity corridors for ESA-listed species such as Canada lynx and grizzly bears; allowing them to move between recovery zones. Long-term, major, and beneficial cumulative impacts to unique, endangered, fragile, or limited environmental resources would be expected because of the proposed project. See Section X, Cumulative Impacts Analysis, for additional and related information.

9. Historical and Archaeological Sites

Existing Environment/Baseline Conditions (No Action Alternative): According to the Confederated Salish and Kootenai Tribe's Historical Preservation Office, the Kootenai people occupied the property for 8,000 years before European exploration and surveys of the area have documented numerous archaeological sites and traditional trails. The first exploration of the area by Europeans occurred in the early 1800s when David Thompson began mapping the area.

Direct Impacts: No significant adverse direct impacts would be expected because of the proposed project. Approval and implementation of the proposed conservation easement would not change existing land use practices and would not result in any new ground disturbing activities. Therefore, no direct adverse impacts to historical or archaeological sites that may be located within the affected area would be expected because of the proposed project.

Secondary Impacts: No significant adverse secondary impacts would be expected because of the proposed project. No new ground disturbing activities would be anticipated because of the proposed project and the proposed conservation easement would place limitations on future uses of the property that may otherwise cause surface disturbance, potentially damaging cultural resources. Therefore, long-term, minor, and beneficial secondary impacts to historical and archaeological sites would be expected because of the proposed project.

Cumulative Impacts: No significant adverse cumulative impacts would be expected because of the proposed project. The proposed conservation easement would place limitations on future uses of the property, limiting surface disturbance, which would complement lands with similar protections including the proposed 52,810-acre Phase 2 of the Montana Great Outdoors Conservation Easement, the proposed 47,907-acre Upper Thompson Connectivity Project, the 100,000-acre Lost Trail Conservation Area, as well as the large network of USFS lands, state lands, and other private lands protected with conservation easements. Therefore, long-term, minor, and beneficial cumulative impacts to historical and archaeological sites would be expected because of the proposed project. See Section X, Cumulative Impacts Analysis, for additional and related information.

10. Demands on Environmental Resources of Land, Water, Air, and Energy

Existing Environment/Baseline Conditions (No Action Alternative): Current uses of the property that may result in increased demands on the environmental resources of land, water, air, and energy would be primarily associated with ongoing timber harvest and grazing activities. Ongoing timber harvest activities may periodically involve the practice of open burning of logging slash and grazing activities would continue in the affected area. Also, see Section III, General Setting of the Affected Environment, for additional and related information.

Direct Impacts: No significant adverse direct impacts would be expected because of the proposed project. Current land use and the associated impacts on environmental resources would not change following implementation of the conservation easement. Therefore, no direct adverse impacts to the demands on the environmental resources of land, water, air, or energy are anticipated.

Secondary Impacts: No significant adverse secondary impacts would be expected because of the

proposed project. Terms of the proposed conservation easement would place limitations on future uses of the property that would otherwise place greater demands on environmental resources, such as residential, industrial, or non-forestry-related commercial development. No utilities would be constructed to support residential development on the property. Therefore, any secondary impacts would be major, long-term, and beneficial.

Cumulative Impacts: No significant adverse cumulative impacts would be expected because of the proposed project. The proposed conservation easement would place limitations on future uses of the property that could otherwise increase demands on environmental resources such as residential, industrial, or non-forestry-related commercial development. The conservation easement would complement lands with similar protections such as the proposed 52,810-acre Phase 2 of the Montana Great Outdoors Conservation Easement, the proposed 47,907-acre Upper Thompson Connectivity Project, the 100,000-acre Lost Trail Conservation Area, as well as adjacent USFS lands, state lands, and existing conservation easements on private property. Therefore, moderate, long-term, and beneficial cumulative impacts to the demands on the environmental resources of land, water, air, or energy would be expected because of the proposed project. See Section X, Cumulative Impacts Analysis, for additional and related information.

B. Evaluation and Summary of Potential Impacts of the Proposed Project on the Human Environment

1. Social Structures and Mores

Existing Environment/Baseline Conditions (No Action Alternative): The project area is in a rural area of northwest Montana and no residencies are located on the affected property. Current land uses consist primarily of forest management and grazing; therefore, the property currently supports employment associated with livestock grazing and forestry/timber products. Also, see Section III, General Setting of the Affected Environment, for additional and related information.

Direct Impacts: No significant adverse direct impacts would be expected because of the proposed project. Approval and implementation of the proposed conservation easement would not change existing land use practices or otherwise directly affect pre-project social structures, customs, values, and conventions in the affected area. Many Montanans and those visiting the state for outdoor recreational purposes hold high regard for conservation of wildlife habitat, such as that provided by the proposed conservation easement. Therefore, no direct adverse impacts to pre-project social structure and mores would be expected because of the proposed project.

Secondary Impacts: No significant adverse secondary impacts would be expected because of the proposed project. The property does not currently support residential, industrial, or non-forestry-related commercial and agricultural development or operations. Further, the proposed conservation easement would prevent future conversion of the property to non-forest uses such as residential, industrial, or commercial development, which could in turn lead to changes to pre-project social structure and mores. Therefore, because no residential, industrial, or non-forestry-related commercial and agricultural development or operations would occur on the property, no secondary impacts to pre-project social structure and mores would be expected because of the proposed project.

Cumulative Impacts: No significant adverse cumulative impacts would be expected because of the proposed project. The proposed conservation easement would complement protections on adjacent lands including the proposed 52,810-acre Phase 2 of the Montana Great Outdoors Conservation Easement, the proposed 47,907-acre Upper Thompson Connectivity Project, the 100,000-acre Lost Trail Conservation Area, as well as adjacent USFS lands, state lands, and existing conservation easements on private property. Collectively, these projects contribute to the existing rural social structure and mores. Therefore, long-term, minor, and beneficial cumulative impacts would be expected because of the proposed project. See Section X, Cumulative Impacts Analysis, for additional and related information.

2. Cultural Uniqueness and Diversity

Existing Environment/Baseline Conditions (No Action Alternative): According to 2020 census data for Flathead, Lincoln, and Sanders counties 92.3-94.8% of the population was white, 3.4-3.7% were black, 3.4-3.7% were Hispanic, and 1.3-3.8% were American Indian/Alaska Native. The project area is the traditional homeland and hunting grounds for the Kootenai, Pend d'Oreille, and Salish tribes. Also, see Section III, General Setting of the Affected Environment, for additional and related information.

Direct Impacts: No significant adverse direct impacts would be expected because of the proposed project. Approval and implementation of the proposed conservation easement would not change existing land use practices or otherwise affect pre-project human population located in the affected area. Therefore, no direct adverse impacts to pre-project cultural uniqueness and diversity would be expected because of the proposed project.

Secondary Impacts: No significant adverse secondary impacts would be expected because of the proposed project. The proposed project would continue historic grazing and forestry management practices in the affected area, prevent conversion of the property to non-forest, and ensure continued public to access the project area in perpetuity. Therefore, the proposed project would not be expected to result in any new or changed employment or recreational opportunities in the affected area. As such, the proposed project would not be expected to result in the relocation of people in to or out of the affected area. Therefore, no secondary adverse impacts would be expected because of the proposed project.

Cumulative Impacts: No significant adverse cumulative impacts would be expected because of the proposed project. The conservation easement would complement lands with similar protections such as the proposed 52,810-acre Phase 2 of the Montana Great Outdoors Conservation Easement, the proposed 47,907-acre Upper Thompson Connectivity Project, the 100,000-acre Lost Trail Conservation Area, as well as adjacent USFS lands, state lands, and existing conservation easements on private property. FWP is unaware of any changes to cultural uniqueness or diversity associated with the identified related projects. Therefore, no cumulative impacts would be expected because of the proposed project. See Section X, Cumulative Impacts Analysis, for additional and related information.

3. Access to and Quality of Recreational and Wilderness Activities

Existing Environment (No Action Alternative): Extensive recreational opportunities exist within the proposed project area. Various backcountry roads provide ready access to the project lands and surrounding Kootenai and Lolo National Forests. Some areas are closed to public motorized vehicles to protect wildlife and watershed values, instead offering recreational opportunities for non-motorized

activities such as hiking, wildlife viewing, berry picking, horseback riding, and mountain biking. Snowmobiling, snowshoeing, and backcountry skiing are also popular activities 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. Corporate timber lands such as the proposed conservation easement area are particularly productive for hunters. In 2014, approximately half of the animals checked at the Highway 2 game check station between Kalispell and Libby were harvested on corporate timber lands. Public access is currently allowed on the property according to Green Diamond's Open Lands Policy; However, without the proposed conservation easement, Green Diamond or future landowners could prohibit public access at any time. Wilderness areas are not present in the project area.

Direct Impacts: No significant adverse direct impacts would be expected because of the proposed project. Approval and implementation of the proposed conservation easement would not change existing land use practices or affect public access to the affected area, considering that public access would continue as usual subject to Green Diamond's Open Lands Policy (Appendix C, Exhibit A). Wilderness areas are not present and therefore would not be impacted. Therefore, no direct adverse impacts to access to or quality of recreational or wilderness activities in the affected area would be expected because of the proposed project.

Secondary Impacts: No significant adverse secondary impacts would be expected because of the proposed project. No wilderness areas exist in the affected area; therefore, no secondary impacts to wilderness recreation activities would occur because of the proposed project. The proposed conservation easement would ensure permanent, free public access to the affected lands. Further, terms of the conservation easement dictate the affected property could never be subdivided for residential development or other uses that would exclude public access. Therefore, public access for noncommercial dispersed recreation including, but not limited to, hunting, trapping, hiking, and wildlife viewing would continue because of the proposed project.

The conservation easement would also ensure that adjacent state and federal lands do not become landlocked, which occurs when the public can't access public lands without crossing private property. Motorized access would be limited to open roads and the landowner would continue to prohibit all off-road use of motorized vehicles per the Green Diamond Open Lands Policy (Appendix C). Camping would be restricted to 14 days. The landowner would retain the responsibility to address violations to their open land policies such as illegal motorized vehicle use and trash dumping and FWP would continue to enforce violations to hunting and fishing regulations and assist with education and property damage issues. In the event the property is sold, the terms of the conservation easement would apply to the new landowner (i.e., the terms would run with the land). Also, in the future, the MRMP could be revised but must continue to provide at least equivalent recreation opportunity and conservation values. Any changes to the MRMP would require approval by FWP.

The Montana Office of Tourism and Business Development produced a Tourism Report in which they projected that this conservation project would positively impact the tourism and recreation economy and would improve the quality and quantity of recreation opportunities (Appendix A). Therefore, long-term, major, and beneficial secondary impacts to access and the quality of recreation in the affected area would be expected because of the proposed project.

Cumulative Impacts: No significant adverse cumulative impacts would be expected because of the proposed project. The proposed conservation easement would allow the public to access the project

area in perpetuity. The proposed conservation easement would complement protections on adjacent lands including the proposed 52,810-acre Phase 2 of the Montana Great Outdoors Conservation Easement, the proposed 47,907-acre Upper Thompson Connectivity Project, the 100,000-acre Lost Trail Conservation Area, as well as adjacent USFS lands, state lands, and existing conservation easements on private property. Therefore, long-term, major, and beneficial cumulative impacts would be expected because of the proposed project. See Section X, Cumulative Impacts Analysis, for additional and related information.

4. Local and State Tax Base and Tax Revenue

Existing Environment/Baseline Conditions (No Action Alternative): The proposed project area is privately owned by Green Diamond. Green Diamond is currently and would continue to be responsible for property's taxes, which contribute to the overall tax base in Lincoln, Sanders, and Flathead counties. The affected counties have a high percentage of public lands and a small tax base, which is of concern to the affected counties due to potential implications of lost tax revenue to the local economy and uncertainty regarding other funding sources (Lincoln County 2019). Also, see Section III, General Setting of the Affected Environment, for additional and related information.

Direct Impacts: No significant adverse direct impacts would be expected because of the proposed project. Under the proposed project, Green Diamond would continue to own the affected property and would continue to be responsible for payment of taxes, which contribute to the overall tax base and tax revenues of Lincoln, Sanders, and Flathead counties. Further, no change to existing land use practices would be expected. Therefore, no direct adverse impacts to the existing local tax base or tax revenues would be expected because of the proposed project.

Secondary Impacts: No significant adverse secondary impacts would be expected because of the proposed project. The conservation easement would place limitations on development which may preclude future increases in gross tax revenues if, for example, the land were to eventually be developed for residential, commercial, or industrial uses which are subject to higher tax rates in comparison to forestland. However, the proposed conservation easement would support ongoing contributions to the local economy and associated tax base and tax revenues from the harvest and sale of forest products, grazing, tourism, and the outdoor recreation industry. Long-term secondary impacts to the local tax base would be expected because the proposed project would preclude future agricultural, industrial, and commercial activities, not including forestry and grazing activities. However, proximity to lands protected by conservation easements may also increase neighboring property values, which could increase the local tax base. Accordingly, any impacts would be long-term, negligible, and either beneficial or adverse depending on variables that include, but are not limited to, the existing and future local economy, future development or lack thereof, and potential changes in neighboring property values.

Cumulative Impacts: No significant adverse cumulative impacts would be expected because of the proposed project. The conservation easement is unlikely to impact the tax base on lands adjacent to the project area; however, theoretically, the easement could increase demand for real estate in the area leading to an increase in adjacent land/home prices and thus additional contribution to the tax base (Reeves et al. 2018). However, there is no consensus in the scientific literature on how conservation easements impact the local tax base (Reeves et al. 2018). Therefore, no adverse cumulative impacts would be expected because of the proposed project. See Section X, Cumulative Impacts Analysis, for additional and related information.

5. Industrial, Commercial, and Agricultural Activities and Production

Existing Environment/Baseline Conditions (No Action Alternative): The project area is primarily managed as a commercial forest and currently produces approximately 2 million board feet (MMBF) of lumber per year. Production is expected to increase to 9 MMBF per year by 2064. Cattle grazing also occurs on 7,526 acres of grazing allotments (23% of project area) located primarily south of the Thompson Chain of Lakes. The maintenance of roads and fences to support these activities would remain the responsibility of the landowner. No other commercial or agricultural activities occur on the land. Also, see Section III, General Setting of the Affected Environment, for additional and related information.

Direct Impacts: No significant adverse direct impacts would be expected because of the proposed project. The proposed conservation easement would not change current land use and timber and agricultural production would be expected to remain the same or similar following implementation of the conservation easement. Therefore, no adverse direct impacts to pre-project industrial, non-livestock-related agriculture, and non-forestry-related commercial activities or production would be expected because of the proposed project.

Secondary Impacts: No significant adverse secondary impacts would be expected because of the proposed project. The conservation easement would allow the landowners to continue managing the landscape as a working forest and to graze livestock. Terms of the conservation easement would prohibit development for residential purposes, non-livestock-related agricultural purposes, non-forestry-related commercial uses, or industrial operations. Such terms would adversely impact any future production related to activities limited by the conservation easement, such as growing crops that require soil cultivation or the development and operation of large gravel pits. These activities do not currently occur on the affected property. The more likely scenario, given the pace of residential development in the surrounding area, is that without a conservation easement the lands would eventually be subdivided and developed for residential use. If this were to occur, the production of forest and agricultural products would be greatly reduced. By remaining a working forest, the affected property would also influence the likelihood of commercial timber harvest on adjoining properties by increasing accessibility to neighboring lands, including lands owned by the USFS and the state of Montana. If the affected property were subdivided for residential purposes, small private landowners may be unwilling to provide access through their property or to provide permission to construct roads for commercial timber harvest, thus impacting access to timber stands for commercial production. The conservation easement may lead to negligible livestock loss or injury resulting from public hunting on the property. As a whole, any impacts would be long-term, negligible to moderate, and beneficial.

Cumulative Impacts: No significant adverse cumulative impacts would be expected because of the proposed project. The proposed conservation easement would prohibit the conversion of working lands in the project area to other uses such as residential development. The proposed conservation easement would complement protections on adjacent lands with similar terms including the proposed 52,810-acre Phase 2 of the Montana Great Outdoors Conservation Easement, the proposed 47,907-acre Upper Thompson Connectivity Project, the 100,000-acre Lost Trail Conservation Area, as well as adjacent USFS lands, state lands, and existing conservation easements on private property. Collectively, any impacts would be long-term, negligible to moderate, and beneficial or adverse depending upon the types of developments that may occur if the easement was not in place. See Section X, Cumulative Impacts Analysis, for additional and related information.

6. Human Health and Safety

Existing Environment/Baseline Conditions (No Action Alternative): The project area is currently managed primarily as a commercial forest which carries inherent risks to human health and safety associated with wildfire, logging, and commercial transportation. In addition, the area is currently used by the public for non-motorized recreation such as hunting, trapping, wildlife viewing, and hiking. All of these activities involve some degree of risk associated with outdoor use and the use of various types of outdoor equipment.

Direct Impacts: No significant adverse direct impacts would be expected because of the proposed project. The proposed conservation easement would not change current land use; therefore, the proposed project would not change the risks to health and human safety associated with the forest products, livestock, or recreation industries. Therefore, no direct adverse impacts would be expected because of the proposed project.

Secondary Impacts: No significant adverse secondary impacts would be expected because of the proposed project. The proposed conservation easement would prevent conversion of the property to non-forest uses such as residential or commercial development and would give the public the general right of access to the property in perpetuity. Some secondary beneficial impacts may be realized by preventing an increase in traffic associated with residential development, although traffic in the area is likely to increase over time due to population growth in the surrounding communities. Therefore, long-term, negligible, and beneficial secondary impacts would be expected because of the proposed project.

Cumulative Impacts: No significant adverse cumulative impacts would be expected because of the proposed project. The proposed conservation easement would complement protections on adjacent lands including the proposed 52,810-acre Phase 2 of the Montana Great Outdoors Conservation Easement, the proposed 47,907-acre Upper Thompson Connectivity Project, the 100,000-acre Lost Trail Conservation Area, and existing conservation easements on private lands. All of these projects would prohibit residential development, potentially reducing residential traffic and associated safety issues. Therefore, long-term, negligible, and beneficial cumulative impacts would be expected because of the proposed project. See Section X, Cumulative Impacts Analysis, for additional and related information.

7. Quantity and Distribution of Employment

Existing Environment/Baseline Conditions (No Action Alternative): Forest products and agricultural industry positions are supported by the project area lands. The project area produces approximately 9 million board feet of merchantable timber per year, directly or indirectly supporting 511 full-time workers and 22 seasonal workers and potentially generating up to \$12 million in economic activity for the area. The property also contains approximately 7,526 acres of grazing allotments, supporting agricultural producers. The project area generates an estimated \$1 million/year in direct expenditures from big game hunting and fishing; while hiking, bird watching, snowmobiling, and other activities contribute to additional local spending. Also, see Section III, General Setting of the Affected Environment, for additional and related information.

Direct Impacts: No significant adverse direct impacts would be expected because of the proposed project. The proposed conservation easement would not change current land use in the affected area. Therefore, logging and agricultural employment opportunities would be expected to remain the same or similar and no direct adverse impacts would be expected because of the proposed project.

Secondary Impacts: No significant adverse secondary impacts would be expected because of the proposed project. The proposed conservation easement would prevent conversion of working forests to other uses, such as residential or commercial development, and would ensure that forests are available to support sustainable timber harvest and associated jobs in the project area. If the affected area were not protected by a conservation easement the lands could be subdivided and sold to other interests thereby limiting or eliminating jobs associated with agriculture and forestry. 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. Therefore, long-term, moderate, and beneficial secondary impacts would be expected because of the proposed project.

Cumulative Impacts: No significant adverse cumulative impacts would be expected because of the proposed project. The proposed conservation easement would prevent conversion of working forests in the project area to other uses, such as residential, non-livestock-related agriculture, or commercial development, and would ensure that forests are available to support local mills and associated forest product industry jobs in the surrounding communities. The proposed conservation easement would complement protections on adjacent lands with similar terms including the proposed 52,810-acre Phase 2 of the Montana Great Outdoors Conservation Easement, the proposed 47,907-acre Upper Thompson Connectivity Project, the 100,000-acre Lost Trail Conservation Area, as well as adjacent USFS lands, and state lands. All of these projects support forest products and agricultural industry positions. Overall, long-term moderate beneficial cumulative impacts on the quantity and distribution of employment in the surrounding counties are anticipated considering that these employment opportunities would not be lost due to land use conversion. See Section X, Cumulative Impacts Analysis, for additional and related information.

8. Density and Distribution of Human Population and Housing

Existing Environment/Baseline Conditions (No Action Alternative): The project area is managed primarily as a working forest and residential structures are not present. The project area is privately owned and thus could be subdivided into as many as 800 parcels with minimal residential subdivision review. The population in the affected counties of Flathead, Lincoln, and Sanders increased from 2000 to 2021 (**Table 1**) with the most significant changes occurring from 2010 to 2020. During this time, Flathead County grew by 14.8% and Sanders County grew by 8.6% while Lincoln County decreased by 0.1% (U.S. Census 2020). Many residents are constructing homes on large lots in exurban areas. Also, see Section III, General Setting of the Affected Environment, for additional and related information.

Direct Impacts: No significant adverse direct impacts would be expected because of the proposed project. The proposed conservation easement would not change current land use; therefore, the proposed project would not be expected to result in the movement of existing or new population in to or out of the affected area. No residential structures currently exist within the affected area and such development would not be allowed under the proposed action. Therefore, no direct adverse impacts to the would be expected because of the proposed project.

Secondary Impacts: No significant adverse secondary impacts would be expected because of the proposed project. The proposed conservation easement would reduce the subdivision potential of the property from approximately 800 parcels to three parcels and residential and commercial development would not be permitted. Residential subdivision is ongoing in the vicinity of the project area, particularly

near the Thompson Chain of Lakes, and would likely occur without a conservation easement. The easement would not impact development on adjacent lands considering that the landowner's retained rights would include road access and utility management. Therefore, negligible adverse secondary impacts to the distribution and density of housing would be expected because of the proposed project.

Cumulative Impacts: No significant adverse cumulative impacts would be expected because of the proposed project. The proposed conservation easement would reduce subdivision potential in the project area from approximately 800 parcels to three parcels. The proposed conservation easement would complement protections on adjacent lands including the proposed 52,810-acre Phase 2 of the Montana Great Outdoors Conservation Easement, the proposed 47,907-acre Upper Thompson Connectivity Project, the 100,000-acre Lost Trail Conservation Area. All of these projects would limit subdivision potential. Therefore, negligible adverse cumulative impacts to the distribution and density of housing would be expected because of the proposed project. See Section X, Cumulative Impacts Analysis, for additional and related information.

9. Demands for Government Services

Existing Environment/Baseline Conditions (No Action Alternative): No residences are present in the proposed project area; therefore, demands for government services such as emergency medical services, transportation, and public works are low. Additionally, the absence of residential development reduces the cost of firefighting considering that each home within one mile of a wildfire requires at least an additional \$9,000 to defend (Headwaters Economics 2018). Also, see Section III, General Setting of the Affected Environment, for additional and related information.

Direct Impacts: No significant adverse direct impacts would be expected because of the proposed project. The proposed conservation easement would not change current land use practices and related demands for government services immediately following implementation of the conservation easement. No adverse direct impacts to the demands for government services are anticipated.

Secondary Impacts: No significant adverse secondary impacts would be expected because of the proposed project. The proposed conservation easement would ensure that the demand for public services within the project area remain low by prohibiting residential development. The area is at a high risk of development and, without the proposed conservation easement, numerous residential homes would likely be built in the wildland-urban interface areas, thereby potentially significantly increasing firefighting costs. The presence of homes in the wildland-urban interface can greatly increase fire suppression costs on surrounding lands. For example, in 2017, 3,000 homes within one mile of a wildfire increased suppression costs associated with the fire by approximately \$25 million (Headwaters Economics 2018).

Other services provided by local and state governments such as schools, sanitation, and safety would not be affected by the proposed project because the affected land would remain a working forest and no residential development would occur, nor would it result in the need for new facilities to provide residential utilities. Considering that the conservation easement would prohibit residential development, long-term, moderate, and beneficial secondary impacts would be expected because of the proposed project. The conservation easement would require FWP staff time for monitoring and enforcement as well as to host annual liaison team meetings, ensuring that the purposes of the easement are met. However, existing staff would manage such activities as part of their typical duties; therefore, any secondary adverse impacts to demands for government services associated with

monitoring and enforcement of the conservation easement would be consistent with existing impacts, and negligible.

Cumulative Impacts: No significant adverse cumulative impacts would be expected because of the proposed project. The proposed conservation easement would ensure that the demand for public services in the project area and surrounding lands remains low by prohibiting residential development, particularly regarding fire suppression. The proposed conservation easement would complement conservation easements on adjacent lands that also prohibit residential development and thereby similarly reduce demands on government services including the proposed 52,810-acre Phase 2 of the Montana Great Outdoors Conservation Easement, the proposed 47,907-acre Upper Thompson Connectivity Project, the 100,000-acre Lost Trail Conservation Area, and other existing conservation easements on private property. Some additional FWP staff resources would be required for monitoring, enforcement, and to host annual liaison team meetings. Overall, long-term, moderate, and beneficial cumulative impacts would be expected because of the proposed project. See Section X, Cumulative Impacts Analysis, for additional and related information.

10. Locally Adopted Environmental Plans and Goals

Existing Environment/Baseline Conditions (No Action Alternative): Flathead and Lincoln County have growth policies, which identify community priorities and how to achieve them through goals, policies, and actions. The growth plan for Lincoln County describes the timber industry as an important economic driver and notes that “One bright spot is recent conservation easements placed on forest lands, which can be an effective tool for maintaining working forests” (Lincoln County 2019). The growth policy for Flathead County states that the Flathead Valley was a natural resource-based economy but that significant growth in the retail and service industries began in the 1990s (Flathead County 2012). The Thompson Chain of Lakes Neighborhood Plan is also applicable and guides land use and development decisions in the Chain of Lakes area (Lincoln County 2010). Also, see Section III, General Setting of the Affected Environment, for additional and related information.

Direct Impacts: No significant adverse direct impacts would be expected because of the proposed project. The proposed conservation easement would not change current land use practices; therefore, forestry product industry jobs and tourism would continue to support existing local land use policy. Therefore, no direct adverse impact on locally adopted environmental plans and goals would be expected because of the proposed project. FWP is unaware of any other locally adopted environmental plans or goals that may be directly impacted by the proposed project.

Secondary Impacts: No significant adverse secondary impacts would be expected because of the proposed project. The proposed conservation easement would complement growth policies in Flathead and Lincoln counties considering that it would maintain forest product industry jobs as well as public access and associated tourism opportunities. The applicable requirements of § 76-6-206, MCA, ensures the opportunity for local planning authorities to review the proposed conservation easement and determine compliance with local growth policies. The conservation easement and management plan will be provided to Flathead and Lincoln counties for review during the public comment period. Additionally, the Thompson Chain of Lakes Homeowners Association expressed support for the proposed conservation easement. Their Neighborhood Plan encourages conservation opportunities to maintain public use of private lands for recreation, encourages easements on the project lands to link the northern and southern portions of the Thompson-Fisher Conservation Easement, and highlights the

importance of maintaining landscape connectivity for fish and wildlife species. Therefore, long-term, moderate, and beneficial secondary impacts would be expected because of the proposed project.

Cumulative Impacts: No significant adverse cumulative impacts would be expected because of the proposed project. The proposed conservation easement would support and have long-term, moderate, and beneficial cumulative impact on locally adopted county growth policies (Flathead and Lincoln counties) and the Thompson Chain of Lakes Neighborhood Plan considering that it is likely to positively impact the forest products and tourism industries throughout the neighboring communities while also maintaining open space and public access. The proposed conservation easement would complement conservation easements on adjacent lands that also support local growth policies including the proposed 52,810-acre Phase 2 of the Montana Great Outdoors Conservation Easement, the proposed 47,907-acre Upper Thompson Connectivity Project, the 100,000-acre Lost Trail Conservation Area, and other existing conservation easements on private property. The conservation easement and associated documents will be provided to Flathead and Lincoln counties early in the public comment period, to ensure that the selected action alternative complies with the affected growth policies. See Section X, Cumulative Impacts Analysis, for additional and related information.

XIII. Private Property Impact Analysis (Takings)

The 54th Montana Legislature enacted the Private Property Assessment Act, now found at § 2-10-101. The intent was to establish an orderly and consistent process by which state agencies evaluate their proposed projects under the "Takings Clauses" of the United States and Montana Constitutions. The Takings Clause of the Fifth Amendment of the United States Constitution provides: "nor shall private property be taken for public use, without just compensation." Similarly, Article II, Section 29 of the Montana Constitution provides: "Private property shall not be taken or damaged for public use without just compensation..."

The Private Property Assessment Act applies to proposed agency projects pertaining to land or water management or to some other environmental matter that, if adopted and enforced without due process of law and just compensation, would constitute a deprivation of private property in violation of the United States or Montana Constitutions.

The Montana State Attorney General's Office has developed guidelines for use by state agencies to assess the impact of a proposed agency project on private property. The assessment process includes a careful review of all issues identified in the Attorney General's guidance document (Montana Department of Justice 1997). If the use of the guidelines and checklist indicates that a proposed agency project has taking or damaging implications, the agency must prepare an impact assessment in accordance with Section 5 of the Private Property Assessment Act.

Table 10: Private Property Assessment (Takings)

	Yes	No
<i>Is FWP regulating the use of private property under a regulatory statute adopted pursuant to the police power of the state? (Property management, grants of financial assistance, and the exercise of the power of eminent domain are not within this category.) If not, no further analysis is required</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<i>Does the proposed regulatory action restrict the use of the regulated person's private property? If not, no further analysis is required.</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<i>Does FWP have legal discretion to impose or not impose the proposed restriction or discretion as to how the restriction will be imposed? If not, no further analysis is required</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

<i>If so, FWP must determine if there are alternatives that would reduce, minimize, or eliminate the restriction on the use of private property, and analyze such alternatives. Have alternatives been considered and/or analyzed? If so, describe below:</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
PRIVATE PROPERTY ASSESMENT ACT (PPAA)			
Does the Proposed Action Have Takings Implications under the PPAA?	Question #	Yes	No
Does the project pertain to land or water management or environmental regulations affecting private property or water rights?	1	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Does the action result in either a permanent or an indefinite physical occupation of private property?	2	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Does the action deprive the owner of all economically viable uses of the property?	3	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Does the action require a property owner to dedicate a portion of property or to grant an easement? (If answer is NO, skip questions 4a and 4b and continue with question 5.)	4	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is there a reasonable, specific connection between the government requirement and legitimate state interest?	4a	<input type="checkbox"/>	<input type="checkbox"/>
Is the government requirement roughly proportional to the impact of the proposed use of the property?	4b	<input type="checkbox"/>	<input type="checkbox"/>
Does the action deny a fundamental attribute of ownership?	5	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Does the action have a severe impact of the value of the property?	6	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Does the action damage the property by causing some physical disturbance with respect to the property in excess of that sustained by the public general? (If the answer is NO, skip questions 7a-7c.)	7	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is the impact of government action direct, peculiar, and significant?	7a	<input type="checkbox"/>	<input type="checkbox"/>
Has the government action resulted in the property becoming practically inaccessible, waterlogged, or flooded?	7b	<input type="checkbox"/>	<input type="checkbox"/>
Has the government action diminished property values by more than 30% and necessitated the physical taking of adjacent property or property across a public way from the property in question?	7c	<input type="checkbox"/>	<input type="checkbox"/>
Does the proposed action result in taking or damaging implications?		<input type="checkbox"/>	<input checked="" type="checkbox"/>
Taking or damaging implications exist if YES is checked in response to Question 1 and also to any one or more of the following questions: 2, 3, 4, 6, 7a, 7b, 7c; or if NO is checked in response to question 4a or 4b.			
If taking or damaging implications exist, the agency must comply with MCA § 2-10-105 of the PPAA, to include the preparation of a taking or damaging impact assessment. Normally, the preparation of an impact assessment will require consultation with agency legal staff.			
Alternatives:			
The analysis under the Private Property Assessment Act, §§ 2-10-101-112, MCA, indicates no impact. FWP does not plan to impose conditions that would restrict the regulated person's use of private property to constitute a taking.			

XIV. Public Participation

Scoping

Scope is the full range of issues that may be affected if an agency implements a proposed action or alternatives to the proposed action. The scope of the environmental review is described through a definition of those issues, a reasonable

range of alternatives considered, a description of the impacts to the physical and human environments, and a description of reasonable mitigation measures that would ameliorate the impacts. Scoping is the process used to identify all issues that are relevant to the proposed action.

Depending on the level of impact associated with a proposed action, the scoping process may include a request for public participation in the identification of issues.

Scoping provides an opportunity for public and agency involvement during the early planning stages of the analysis. The intent of the scoping process is to gather comments, concerns, and ideas from those who have an interest in or whom may be affected by the Proposed Action. A press release initiating the 30-day scoping period was issued on February 2, 2022, to inform the public about and solicit comments on the Proposed Action.

During public scoping, FWP received numerous comments in support of the proposed project and a limited number in opposition. Many commenters indicated that they had used these lands for generations and value access to these lands for hunting, fishing, hiking, berry picking, among other recreational pursuits.

Scoping also includes efforts to engage internal and affected external agencies. For the proposed project, these scoping efforts included queries to the following websites/databases/personnel:

- Montana Department of Natural Resource and Conservation (DNRC)
- Montana Department of Environmental Quality (DEQ)
- Flathead County Commissioners
- Lincoln County Commissioners
- Sanders County Commissioners
- Montana Natural Heritage Program
- Montana Cadastral
- US Department of the Interior
 - Fish and Wildlife Service
- US Department of Agriculture
 - Forest Service
 - Natural Resource Conservation Service

A detailed account of the scoping processes can be found in the *Public Scoping Report*, which is on file with FWP and available by request. A copy of the *Public Scoping Report* may be obtained by request from the FWP Contact identified below in this section.

Public Review of Environmental Assessments

The level of analysis in an EA will vary with the complexity and seriousness of environmental issues associated with a proposed action. The level of public interest will also vary. FWP is responsible for adjusting public review to match these factors (ARM 12.2.433(1)). For the proposed project, FWP determined the following public notice strategy will provide an appropriate level of public review:

- An EA is a public document and may be inspected upon request. Any person may obtain a copy of an EA by making a request to FWP.
- Public notice will be served on the Montana Fish, Wildlife and Parks website at: <https://fwp.mt.gov/public-notices>.

- Public notice will be served on the Montana Environmental Quality Council’s MEPA Document List website at: <https://leg.mt.gov/mepa/search/>.
- As applicable, copies will be distributed to neighboring landowners to ensure their knowledge of the proposed project and opportunity for review and comment on the proposed action.
- FWP maintains a mailing list of persons interested in a particular action or type of action. FWP will notify all interested persons and distribute copies of the EA to those persons for review and comment (ARM 12.2.433(3)).

Public notice announces availability of the Draft EA for public review, summarizes the proposed project, identifies the time-period available for public comment, and provides direction for submitting comments.

- **Duration of Public Comment Period:** The public comment period begins on the date of publication of legal notice in area newspapers and on FWP’s Public Notice webpage (see above). Written or e-mailed comments will be accepted until 5:00 p.m., Mountain Time, on the last day of public comment, as listed below:

Length of Public Comment Period: 30 days

Public Comment Period Begins: April 15, 2024

Public Comment Period Ends: May 15, 2024

Comments must be addressed to the FWP contact listed below.

- **Where to Mail or Email Comments on the Draft EA:**

Name: LEAH BREIDINGER

Email: lbreidinger@mt.gov

Mailing Address:

490 N Meridian Road
Kalispell, MT 59901

XV. Recommendation for Further Environmental Analysis

NO further analysis is needed for the proposed action	<input checked="" type="checkbox"/>
FWP must conduct EIS level review for the proposed action	<input type="checkbox"/>

XVI. EA Preparation and Review

	Name	Title
EA prepared by:	Leah Breidinger	Habitat Conservation Biologist
EA reviewed by:	Eric Merchant	MEPA Coordinator

XVII. References

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APPENDIX A: 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, Office of Tourism
Department of Commerce, Brand MT
301 S. Park Ave, Helena, MT 59601

Project Name: Montana Great Outdoors Conservation Easement – Phase 1

Project Description: The Montana Department of Fish, Wildlife and Parks (FWP) proposes the purchase of a conservation easement to protect approximately 85,792 acres of important timberland and fish and wildlife habitat in northwestern Montana between Kalispell and Libby, MT (see attached map). The property is owned by Green Diamond Resource Company and SPP Montana. This conservation project is a collaborative effort involving Green Diamond Resource Company, The Trust for Public Land, and FWP. The proposed conservation easement, to be held by FWP, would allow Green Diamond 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 habitat for bull trout, grizzly bear, and Canada lynx, Endangered Species Act-listed Threatened species. 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 approximately 15,000 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 50,000-acre Kootenai Forestlands CE. Forest Legacy projects in Montana and Idaho have cumulatively helped to conserve nearly 400,000 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.

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

NO

X YES

If YES, briefly describe:

As described, this project has the potential to positively impact the tourism and recreation industry economy if properly maintained. The opportunity to recreate in Montana is marketed to destination visitors from around the world. This includes emphasizing recreational opportunities in accessible locations.

In 2021, Montana's 12.5 million non-resident visitors spent over \$5 billion in the state according to a 2022 report from the University of Montana's Institute for Tourism and Recreation Research (ITRR). The intent to visit has dramatically increased due to the pandemic and a desire for safe outdoor recreation experiences.

Recreation access and activities are in high demand for both non-resident and resident visitors. Public access, vital to resident and non-resident visitors, could be limited or excluded if this project does not move forward.

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

NO

X YES

If YES, briefly describe:

This project will maintain and improve quality and quantity of tourism and recreational opportunities and sustainable timber production management for approximately 85,792 acres of important timberland and fish and wildlife habitat in northwestern Montana. The property currently provides approximately 15,000 days per year of public hunting and angling use which would be secured in perpetuity.

Completion of this Forestry Legacy project is important and critical for long-term sustainability of this asset. 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 1/14/2023

2/937/98sed

APPENDIX B: DRAFT Montana Great Outdoors Conservation Easement - Phase
1

After recording return to:
Montana Dept. of Fish, Wildlife and Parks
Lands Unit
1420 East 6th Ave.
Helena, MT 59620-0701

MONTANA GREAT OUTDOORS -- PHASE 1 DEED OF CONSERVATION EASEMENT

THIS DEED OF CONSERVATION EASEMENT (“Easement”) is granted this ____ day of _____, 2024 (the “Effective Date”) by **GREEN DIAMOND RESOURCE COMPANY**, whose address is 1301 Fifth Avenue, Suite 2700, Seattle, WA 98101 (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 the “Department”). In this Easement, Landowner and the 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 conserving forest land, watersheds, riparian corridors, open spaces, recreation opportunities and habitat for native fish, wildlife and plant communities, through the prevention of development and continued management of working forests on the land, and have authorized the Department to acquire conservation easements by voluntary, cooperative means.

B. Landowner is the sole owner of certain real property in Lincoln, Sanders, and Flathead counties, Montana (the “Land”), comprising approximately 32,981 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 grant of this Easement is in support and furtherance of the sustainability of such uses, as encouraged and supported by the State of Montana and local land conservation policies adopted in Lincoln, Sanders, and Flathead counties, Montana.

E. Landowner desires to put into effect the provisions of the Forest Legacy Program (defined below) upon the Land, which purposes include protecting environmentally important forest areas that are threatened by conversion to non-forest uses by limiting future development and improvements upon the Land, and promoting forest land protection through viable, lawful, commercial forestry that provides scenic, cultural, fish, wildlife and recreational resources, riparian areas and other ecological values, including those listed below (collectively, the “Conservation Values”):

1. The Land contains environmentally important forest areas that are threatened by conversion to non-forest uses.
2. The Land provides scenic, cultural, fish, wildlife and recreational resources, riparian areas, wetlands and other ecological values.
3. The Land has a history of (i) commercial forestry uses, which includes timberland management, timber production, timber harvest, grazing, fire protection, protecting forest landscapes, and the sale of forest products; (ii) associated ecosystem traits of a working forest, including, but not limited to, habitat for fish, wildlife and plant species, and watershed functions, and (iii) maintaining sustainable forest management and the cultural and economic vitality of rural communities.
4. The Land provides fish and wildlife habitat for a variety of species important to the State of Montana and the United States, many of which are identified in Montana's State Wildlife Action Plan (2015).
5. The Land encompasses perennial streams that are important to a variety of fish species.
6. The Land provides habitat connectivity for movement of wildlife across the landscape.
7. The Land provides important public recreational opportunities as encouraged and supported by the State of Montana, including hunting, trapping, fishing, hiking, cross-country skiing, camping and wildlife viewing.

F. The Forest Legacy Program (“FLP”), 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 U.S.C. § 2103c) and section 374 of the Federal Agriculture Improvement and Reform Act of 1996 (P.L. 104-127), and the accompanying *Forest Legacy Program Implementation Guidelines*, dated May 2017 (the “**Guidelines**”), only as the same are in effect as of the Effective Date, 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. The Landowner has the long-term responsibility for managing the Land in a manner consistent with the purposes of the Forest Legacy Program, the terms specified in this Easement, and the Multi-Resource Management Plan (“MRMP”), required pursuant to the FLP and further described in Paragraph II.E of this Easement. The FLP requires that 75% of the Land remain forested, except as may result from a natural disturbance.

G. By entering into this Easement, the Department confirms that it has complied with the acquisition policies of the Habitat Montana Program (“Habitat Montana”) which policies are described in § 87-1-241, MCA, and the Department confirms that this Easement is in compliance with the provisions and has met all requirements of the Habitat Montana program.

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, other good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, 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 by the Department upon mutual agreement with Landowner in order to effect the purposes of the FLP and sustain and protect in perpetuity the Conservation Values. As such, the Department and Landowner agree that the purposes of this Easement (collectively the “Purposes,” or individually a “Purpose”) are the foregoing and as follows, consistent with the terms of this Easement:

1. To perpetuate the use of the Land as working forest by (i) ensuring the opportunity for continued, long term, professional management of the forest resources through forest management activities; (ii) prohibition of development and certain activities; (iii) protecting the Land’s capacity to produce economically valuable forestry products, including, but not limited to, units of carbon sequestered on the Land and recognized as marketable credits or offsets; (iv) providing for economically valuable recreation, grazing and cattle management opportunities; (v) allowing for continued commercial timber and resource management activities; and (vi) recognizing that commercial production of forest products is compatible with the Conservation Values;

2. To prevent the Land from being converted or diverted to any use expressly prohibited by this Easement, pursuant to the terms of §76-6-107, MCA;

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 Paragraphs II.B.5 and II.C.2.

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, and accepted grazing and forest management practices 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. DEPARTMENT'S RIGHTS

The rights conveyed to the Department by this Easement are as follows:

1. Preserve and Protect. To preserve and protect, in perpetuity, the Conservation Values by preventing development and uses of the Land proscribed herein subject, however, to the rights reserved by 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 three days prior written notice to 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; all to assure that the Conservation Values are protected and all in a manner that will not unreasonably interfere with the use of the Land by Landowner. A copy of any such research, data, or observations collected will be provided to 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 and reasonable judgment, such entry is necessary to prevent damage to or destruction of the Conservation Values by development or uses of the Land prohibited by this Easement. Aside from the rights of access granted in this Paragraph and the rights of public recreational access granted 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 prohibited by the terms of this Easement and to enforce the reasonable restoration of any Conservation Values that may be damaged by prohibited or restricted 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 intentionally 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.G below.

5. Public Recreational Access. The right, on behalf of the general public, to access and use the Land without charge for admission, except within those portions of the Land in which Landowner, or a third party authorized by Landowner, is engaged in an authorized use of the Land, for the purpose of non-commercial dispersed recreation on the Land, including, but not limited to, hunting, huckleberry picking, fishing, trapping, hiking, camping, snowshoeing, skiing, biking and wildlife viewing, in accordance with the following terms and conditions and subject to Landowner's Rights as set forth in Paragraph II.C. 2 below.

- 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 Law.
- c. The grant of hunting rights to the general public 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 roads or publicly-accessible land and may cross the Land to access adjacent land where public recreational use is allowed.
- e. Public recreational access to the Land may be temporarily restricted by the Department as deemed necessary or appropriate to protect the Land, the Conservation Values, the Landowner's reserved rights to use the Land, the public, or public safety.
- f. Notwithstanding any provision that may be construed to the contrary, the Department may deny access to anyone who is not conducting or has not in the past conducted themselves in a lawful, or safe manner and denial of access for this reason shall not be deemed preferential or discriminatory.
- g. Landowner may participate in programs offered by the Department or other entities intended to reimburse or compensate Landowner for the impacts of hunter or recreation use of the Land. However, 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 Landowner's participation; and that nothing in this Easement provides any assurance that Landowner will be offered the opportunity for or be accepted into any such program.

C. LANDOWNER'S RIGHTS AND AUTHORIZED USES

Landowner reserves to itself, its successors and assigns, all rights that are not expressly granted to the Department by this Easement and, not having been granted to the Department, accrue to 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. Without limiting the generality of the previous statement, and subject to the restrictions on Landowner's activities in this Easement, the following rights and uses are expressly reserved and are consistent with this Easement and the Conservation Values. Where expressly stated, Landowner's exercise of certain of these rights is conditioned upon Prior Approval by the Department or Prior Notice to the

Department as provided for in Paragraph II.G, or as further specified in the MRMP. All other uses shall not be precluded, prevented, or limited by this Easement.

1. **Forest Management.** Landowner retains and shall have 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 all federal, state and local laws and regulations applicable to the Land, including, but not limited to, Title 77, chapter 5, part 3, MCA, and the associated Administrative Rules of Montana, and 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 (collectively, “Applicable Law”). Landowner shall manage the Land in accordance with any Habitat Conservation Plan, Candidate Conservation Agreement, or Safe Harbor Agreement applicable to the Land that may be expressly assumed or agreed to by Landowner and approved from time to time by the U.S. Fish and Wildlife Service under the federal Endangered Species Act (each, as applicable, a “Conservation Plan”). Landowner may, but is not required by this Easement, to include the Land in one or more Conservation Plans for the protection of fish or wildlife species or plants, unless the Conservation Plan facilitates development that is expressly prohibited by this Easement and is inconsistent with the purposes of the Forest Legacy Program and the Guidelines in effect as of the Effective Date. Landowner may perform research, monitoring, and other activities on the Land as required by a Conservation Plan. In addition, Landowner shall manage the Land in accordance with good and sound silvicultural practices as follows:

- a. Operate under the MRMP and Montana Forestry Best Management Practices (the "BMPs"), as both may be revised or amended from time to time;
- b. Within the Restricted Zone (as defined below), operate under the Restricted Zone restrictions as set forth in **Exhibit C**, attached hereto and incorporated herein by reference; and
- c. Maintain certification with the Sustainable Forestry Initiative ("SFI") and make available to the Department SFI audit reports for all SFI audits conducted on the Land, except that with Prior Notice, Landowner may change to a substantially equivalent certification system, such as Forest Stewardship Council (FSC) or the American Tree Farm System (ATFS), or a reasonable, functional equivalent comparable to SFI, so long as the replacement organization requires substantially the same or more stringent standards and conducts regular, independent audits to ensure compliance.

The Department shall not object to or interfere in any way with Landowner’s right to engage in forest management, timber harvest, and any silvicultural practices on the Land in any lawful manner chosen by Landowner in its sole discretion, including, but not limited to, growing, harvesting and replanting trees; pest and vegetation management; silvicultural prescriptions and brush clearing; removal of minor forest products (including, but not limited to, boughs, floral greens, bark, holiday trees, pine needles, firewood, and mushrooms); and other forestry-related land maintenance and management activities; provided that such practices are also consistent with this Easement, Applicable Law, BMPs, SFI or its replacement organization as specified above, the

MRMP as amended from time to time, industry standards, and any Conservation Plan(s) then in effect, and not otherwise prohibited or restricted by the terms of this Easement.

2. Regulation of Public Use. The right at all times to regulate public use of the Land, in accordance with the terms of this Easement. Landowner retains the right to temporarily restrict public use as required to (i) prohibit unlawful behavior, unsafe behavior, destruction or vandalism to improvements, and removal of any trees, firewood, or other forest products by the general public; (ii) protect and restore environmentally sensitive areas and sites damaged by public use or natural processes; (iii) operate areas undergoing timber harvest, timber management activities, such as reseeded or replanting, or other uses authorized by this Easement; (iv) address fire risk and other emergency situations and for public safety reasons; (v) comply with Applicable Law; and (vi) prevent public use that is inconsistent with the Conservation Values. Except in the event of areas restricted due to forestry or other activities permitted by this Easement, Landowner will provide 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 Prior Notice to the Department. Neither Prior Notice nor Prior Approval of the Department is required to restrict motorized use of roads on any portion of the Land at any time, unless provided otherwise in this Easement.

3. Structures and Improvements. Landowner may:

- a. repair, renovate, remove, maintain, or replace nonresidential improvements existing as of the Effective Date, provided that such repair, renovation, maintenance, or replacement does not expand the size or materially change the use of such nonresidential improvements; and
- b. construct, remove, maintain, renovate, repair, or replace fences, gates, landings, timber platforms, skid trails, barriers, corrals, water tanks and related piping and equipment, and other structures necessary for land management, grazing, or any purposes not specifically prohibited in this Easement; and
- c. construct or place on the Land for temporary use, for a period of time not to exceed twenty-four (24) months, a building or structure, no larger than eighteen hundred (1,800) square feet, for forestry management and operations purposes not specifically prohibited by this Easement, including but not limited to forest management, sand, gravel, or rock extraction, and road work. Temporary structures for sand, gravel or rock extraction operations shall only be permitted adjacent to active excavation sites as the same are listed in the annual report to be provided to the Department in accordance with the MRMP. 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.” Any building allowed by this Paragraph II.C.3.c. must be removed from the Land 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 any other provision of this Easement to the contrary Landowner:

- a. may improve, maintain and use existing roads, bridges, landings, trails, ditches, culverts, and other stormwater collection and diversion and retention structures on the Land. This right includes the right to abandon or reclaim roads that are no longer used; and
- b. may construct and maintain new Spur Roads necessary for exercising rights retained by Landowner under this Easement without Prior Notice. Other roads necessary for forest management to support harvesting activities, may be constructed and maintained as needed for purposes of forestry operations, and for communication tower sites and fire support structure sites as permitted by Section II.C.14.f., with Prior Notice. All other proposed new roads require Prior Approval. For purposes of this Easement, a “Spur Road” is a road that supports a low level of traffic, such as a level that would serve one or two Settings, as defined in the *US Forest Service Glossary of Forest Engineering Terms*. Little or no engineering design work is needed to build it; and
- c. 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 Landowner and cooperating federal and state agencies; and
- d. may, in its sole discretion, grant to third parties permanent or temporary road access rights to the Land over existing roads and new roads constructed in compliance with Section II.C.4.b above for purposes of forest management access. Prior to issuing any permanent road access rights over new roads constructed in compliance with Section II.C.4.b above for purposes that do not include forest management access, Landowner must provide the third party with written notice of this Easement and must get Prior Approval. Nothing in this Easement may interfere with a third party exercising any right of legal access across the Land that was in effect as of the Effective Date.

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 all uses not specifically prohibited by this Easement 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 Applicable Law.

- 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 based on label use instructions and Applicable Law. 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. Landowner may use livestock on the Land to control noxious weeds or other invasive nonnative plants, or for other land management purposes, pursuant to section II.C.15.

7. **Oil, Gas, or Mineral Exploration and Extraction.** Landowner may conduct limited mining activity for materials (e.g., sand, gravel, rock) used for all allowed uses on the Land where the use of such extracted material is lawful.

At actual and/or proposed locations and sizes identified in an annual report provided to the Department and in accordance with Applicable Law, Landowner's may extract and crush sand, gravel, and rock for on-site use not to exceed an un-reclaimed total area of one half percent (0.5%) of the Land at any one time, with each location not to exceed two and one half (2.5) un-reclaimed acres at any one time, provided that:

- a. 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;
- b. Any material extracted may only be used on the Land for purposes consistent with this Easement;
- c. Landowner shall use reasonable efforts to control noxious weeds at the site;
- d. Landowner shall provide mulch or vegetative cover on all soil overburden stockpiles each year to reduce soil erosion and infestation of noxious weeds;
- e. Landowner shall post a reclamation bond when required under Applicable Law;
- f. If a rock, gravel or sand source will no longer be used for management of the Land, Landowner shall seed and reestablish cover vegetation which is native or is representative of adjacent perennial plant species; and
- g. The existing extraction locations will be identified in the Easement Baseline Report and, notwithstanding any provision of this Easement to the contrary, Landowner may conduct reclamation activities at the existing extraction locations for up to five (5) years following the Effective Date.

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, 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 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 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 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, and subject to Prior Notice, 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.

9. Habitat Enhancement and Restoration. 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 or a Conservation Plan.

10. Cross-Country Ski Trails. The right to enter into non-exclusive leases or 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 enter into leases and license agreements permitting or allowing only non-exclusive use by commercial outfitters and guides. "Non-exclusive use" means that the public also has the same opportunity for recreational use, consistent with the terms of this Easement and the MRMP in the same areas of the Land used by outfitters or guides.

12. Subdivision and Real Property Conveyance. 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 three (3) separate fee 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 three (3) landowners, with no more than one MRMP per parcel.

- b. Notwithstanding any other provision of this Paragraph II.C.12, 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.12.a.
- c. Landowner shall provide notice off any real property transfer no later than thirty (30) days after 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 Landowner.
- d. In the event that the Land is divided into separate ownerships as provided for in this Easement, the conveyance documents must specify which of the ownerships retain any remaining right for gravel pit development pursuant to 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, Sanders, and Flathead counties 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 Landowner, the Department, and the public.
- e. 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.
- f. 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 Paragraph, 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. 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.

14. Utilities.

- a. Existing Utilities. Landowner retains the right to maintain, repair, and upgrade utilities existing on the Land, and Landowner retains the right to install, maintain, repair, and upgrade utilities within existing road prisms on the Land, as of the Effective Date, including, but not limited to, 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 Landowner to submit a Utility Plan as outlined in Paragraph II.C.14.d. (“Utility Plan”) below.
- c. New Utilities Serving Adjacent Properties. Subject to Prior Approval, Landowner retains the right to construct new Utilities and grant any associated Utility right-of-way easement serving adjacent properties. The Department will require Landowner to submit a Utility Plan as outlined in Paragraph II.C.14.d. below.
- d. Utility Plan. Prior to preparation of the Utility Plan, 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 Landowner, the Department, and the utility service provider prior to construction.
- e. Energy Generation. Ground disturbance and permanent removal of forest cover for the purpose of constructing energy-capturing or energy-generating improvements is generally prohibited. In the event, however, that technology provides methods of capture or generation, including, without limitation, solar, hydroelectric, wind, geothermal, and other alternative types, or pertaining to energy sources, not yet discovered or widely utilized as of the Effective Date that are consistent with the Forest Legacy Program and the Guidelines, as the same are in effect as of the Effective Date, such methods may be implemented on the Land, for use on the Land or for sale or exchange with third parties, subject to Prior Approval, in consultation with the Forest Service.
- f. Communications Towers and Fire Support Structures.
 - 1. Landowner may construct and operate or authorize, permit, lease, or sell easement or fee rights (which shall not constitute a “transfer” for purposes of Paragraph II.C.12 of this Easement) to any third parties to construct, access, maintain and operate up to three (3) communication towers on the Land with clearing, construction, enclosures, footings, equipment sheds and new access roads, which may be gated and not open to public motorized use, that disturb no more than five (5) acres per tower that serve public safety and commercial purposes by allowing for communication signals to be sent or relayed through equipment mounted on a communication tower. The MRMP shall contain an exhibit describing any additional instructions and identifying the proposed locations of all three 5-acre sites, and Prior Notice is required prior to construction or removal of any such tower. With Prior Approval, Landowner may move the final location of each of the three sites, so long as communication towers remain

limited to three sites of no more than five acres per tower. Each communication tower lease shall (1) specifically reference this Easement and prohibit any use of the Land that violates the terms of this Easement, and (2) contain a map clearly depicting the location and footprint of the communication tower site.

2. Landowner may construct, operate, maintain, authorize and access up to two 1-acre fire support structures on the Land for the purpose of assisting with fire suppression, with clearing, construction, enclosures, footings and new access roads, which may be gated and not open to public use. Disturbance shall be limited to no more than one (1) acre per site. Each site shall be limited to one (1) structure of no greater than 2,500 square feet. The MRMP shall contain an exhibit describing any additional instructions and identifying the proposed locations of all two 1-acre sites, and Prior Notice is required prior to construction or removal of any such structure. With Prior Approval, Landowner may move the final location of each of the two sites, so long as fire support structures remain limited to two sites of no more than one acre per site. Cameras installed and maintained to monitor fire activity and assist with fire suppression shall not be considered fire support structures.

15. **Grazing.** The right to raise, pasture, and graze livestock, and the right to lease pasture to another agricultural operator to raise, pasture, and graze livestock. Landowner and Department acknowledge and agree that a grazing management plan is made a part of the MRMP and shall govern Landowner's grazing activities. Landowner will provide the Department with an annual summary of grazing activities on the Land for the prior season.

16. **Compatible Nonforest Uses.** Notwithstanding any other provision in this Easement or the MRMP to the contrary, Landowner must ensure a minimum forest cover of at least seventy-five percent (75%).

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 portion(s) of the Land depicted in the map(s) attached to the MRMP as **Exhibit C** ("**Restricted Zone**") is prohibited unless conducted as provided for in Paragraph II.C. and in compliance with **Exhibit C** attached to this Easement.

2. **Development Rights.** Subject to the terms hereof, Landowner hereby grants, conveys, transfers, relinquishes and sets over unto the Department all rights to develop the Land for commercial and residential purposes, including, without limitation, for purposes of illustration, the right to construct or develop single-unit or multiple-unit housing, golf courses, retail facilities, offices, residential buildings, or hotels (collectively, the "**Development Rights**"). The Development Rights do not include Landowner's retained rights and authorized uses set forth in this Easement. In accepting the relinquishment of the Development Rights from Landowner, the Department agrees and acknowledges that at no time following the Effective Date may the

Development Rights be exercised upon the Land by any party, including (without limitation) the Department or any of its successors and assigns, it being the intention of Landowner and the Department that the Development Rights are hereby extinguished by this Easement.

3. **Subdivision.** The partition, division, subdivision or de facto subdivision of the Land is prohibited, except as provided for in Paragraph II.C.12.

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.** 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.13.

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

7. **Lease or Sale of Access.** The 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. Landowner may not grant or allow exclusive access to adjacent landowners for purposes of access to their property on any private road(s) through or on the Land that have historically been regularly used for public recreational access.

8. **Utility Installation and Pipelines.** Subject to existing utility and pipeline easements and except as provided for in Paragraph II.C.14, the installation of utility lines upon or under the Land is prohibited.

9. **Structures and Improvements.** The construction or placement of a structure or improvement of any kind is prohibited, except as provided for in Paragraph II.C.3. and II.C.4. Landowner may not construct or place timber processing mill on the Land.

10. **Grazing.** Grazing of livestock is prohibited except as provided for in Paragraph II.C.15.

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, transplantation or release of fish or wildlife species on the Land by the Department, which must

have the consent of Landowner for any such introduction, transplantation or release on the Land. Domestic livestock is allowed per Paragraph II.C.15.

12. Mineral Development.

a. Except as provided in Paragraph II.C.7, Landowner is prohibited from exploring for, developing, mining, producing or otherwise extracting any sand, gravel, minerals, oil, natural gas, coal, 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, except as provided 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 to the extent necessary to perform activities authorized by this Easement, including, but not limited to, wood waste products generated through, and municipal biosolids discharged as a soil amendment applied in connection with, forest management activities on the Land, which may be disposed of on the Land in a manner consistent with BMPs and Applicable Law. The disposal of municipal biosolids discharged as a soil amendment applied in connection with forest management activities on the Land is subject to Applicable Law, Prior Notice, and consistent with the Purposes.

15. Ecosystem Services. Landowner may engage in ecosystem services markets under other programs, but such action must not adversely affect the interest granted under this Easement to the Department or the Department's right of enforcement or be inconsistent with or defeat the Purposes for which this Easement was acquired. The sequestration of carbon through afforestation, reforestation or improved forest management on the Land and resulting in the verification and issuance of marketable carbon offset credits is deemed to be consistent with the Purposes and Conservation Values of this Easement.

No agreements relating to ecosystem service markets shall be made regarding the Land that is or is likely to become inconsistent with the FLP purposes or terms of this Easement. If Landowner wishes to enter into such an agreement, it will notify the Department of any proposed participation in ecosystem service markets Landowner deems compatible with the Purposes and terms of the Easement 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 Forest Service. If it is determined to be compatible, the Department will provide an approval and authorization letter

to Landowner and include the letter and ecosystem services markets participation documentation as an attachment to the then-current MRMP. 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

Landowner and the Department shall enter into a MRMP that identifies Landowner's objectives and activities of Landowner 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 MRMP shall contain parameters to ensure Landowner complies with measurable standards. Landowner will comply with the MRMP.

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, unless Landowner and the Department mutually agree otherwise. If the Land is held in two (2) or more parcels as provided for in Paragraph II.C.12.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.

Landowner may not convey the Land or any portion thereof unless the successor in interest accepts in writing upon conveyance the MRMP then in effect. 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 and mutually selected by the Parties. The Easement Baseline Report will be 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 Effective Date. The intent of the Easement Baseline Report is to serve as an objective information baseline for monitoring compliance with the terms 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 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 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 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 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 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 Landowner's proposed activity, the Department shall provide a written determination with analysis of why such activity would be inconsistent with this Easement and its Purposes.

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

4. 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 damage to the Conservation Values occurs, 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: Green Diamond Resource Company
Attention: Area Manager
138 Pipe Creek Road
Libby, MT 59923

With a copy to: Green Diamond Resource Company
Attention: Legal Department
1301 Fifth Avenue, Suite 2700
Seattle, WA 98101

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:

- a. fails to cure the violation within sixty (60) days after receipt of notice from the Department;
- b. 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
- c. 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. This Easement constitutes a valid and binding agreement of the Parties, enforceable in accordance with its terms to the fullest extent permitted by laws. If a dispute arises out of a breach of this Easement that does not entitle the non-defaulting party to take immediate action as set forth above, and if such dispute cannot be settled through mutual, good faith negotiations during any applicable cure period, the matter will be submitted to mediation before an impartial certified mediator before resorting to litigation. If Grantor and Grantee cannot agree on a mediator within thirty (30) days, the matter shall be referred to the nearest office of the American Arbitration Association for selection of a certified mediator. Each Party shall pay an equal share of the mediator's fee. In the event the Parties are unable to settle the dispute, either party may file an action through appropriate court proceedings. Each Party shall be entitled to seek all remedies available to it in law or equity for material breach of this Easement. The prevailing party shall be entitled to reasonable attorneys' fees and costs.

4. Nothing contained in this Easement may be construed to entitle the Department to bring any action against Landowner for any injury to or change in the Land resulting from causes beyond 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 by either Party shall be at the reasonable discretion of that Party, and any forbearance by a Party to exercise its rights under this Easement in the event of any breach of any term of this Easement by the other Party shall not be deemed or construed to be a waiver by the non-defaulting Party of such term or of any subsequent breach of the same or any other term of this Easement or of any of the rights of the non-defaulting Party under this Easement. No delay or omission by the non-defaulting Party in the exercise of any right or remedy hereunder shall impair such 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 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.

I. HOLD HARMLESS AND INSURANCE

1. The parties acknowledge the restrictions to Landowner's liability provided in Title 70, chapter 16, part 3, of the Montana Code Annotated. Landowner shall protect, defend, indemnify, and save harmless the State, its elected and appointed officials, agents, and employees, while acting within the scope of their duties as such, from and against all claims, liabilities, demands, causes of action, judgments, and losses, including all costs of defense and reasonable attorney fees, arising in favor of or asserted by Landowner's employees and agents, or third parties on account of property damage, personal injury, bodily injury, death, or financial or other loss of any kind that in any way, directly or indirectly, arise or allegedly arise out of or in connection with this Easement, unless due to the negligence or willful misconduct of the State or its elected and appointed officials, agents, employees or contractors.

2. The Department similarly agrees it shall protect, defend, indemnify, and save harmless the Landowner, its directors, officers, agents, employees and contractors, from and against all claims, liabilities, demands, causes of action, judgments, and losses, including all costs of defense and reasonable attorney fees, arising in favor of or asserted by third parties or the Department, on account of property damage, personal injury, bodily injury, death, or financial or other loss of any kind that in any way, directly or indirectly, arise or allegedly arise out of any condition or other matter related to or occurring on or about the Land, unless due to the negligence or willful misconduct of the Landowner or its directors, officers, agents, employees or contractors.

3. The Department is self-insured for exposures to liability arising from acts or omissions of its employees acting in the course and scope of their employment as provided by statutes codified in Title 2, chapter 9, parts 1-3, of the Montana Code Annotated. The Department, as an agency of the State of Montana, provides workers compensation insurance for its employees as required by Section 39-71-403, MCA. Any insurance or self-insurance maintained by or available to the Department, its officers, officials, employees or volunteers shall be in excess of the Landowner's insurance and shall not contribute with it.

J. TERMINATION, TRANSFER, AMENDMENT, EXTINGUISHMENT, CONDEMNATION

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. **Termination**. This Easement constitutes a real property interest immediately vested in the Department. It is the unequivocal intention of Department and the Landowner that the Purposes of this Easement be carried out in perpetuity. 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 sustained. 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 sustained, 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 sustained. The Department and Landowner agree that changed economic conditions may not be considered as circumstances justifying the termination of this Easement.

2. Transfer. This Easement may be transferred or assigned only (i) to a government entity that (a) is eligible to hold this Easement under the FLP and is authorized to acquire and hold conservation easements pursuant to Applicable Law, (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. As a condition of such transfer, the Department shall provide ninety (90) days prior written notice to Landowner of such transfer or assignment. 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 Department must identify and select an appropriate entity to which this Easement must be transferred. In the event of such transfer, the Department shall require that the transferee assumes in writing all obligations and liabilities of the Department hereunder, and that an assignment and assumption agreement shall be recorded in the Official Records of Lincoln, Flathead, and Sanders Counties, Montana (the “**Records**”) and any other jurisdiction in which such recording is required.

3. Amendment. This Easement may be amended only with the written approval of Landowner, the Department, and the Forest Service FLP Northern Region program manager (collectively, the “**Approving Parties**”) 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 Approving Parties 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 purposes of the FLP and the Purposes 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, (vi) not diminish the perpetual duration of this Easement or negatively affect the status or rights of Landowner, 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 or legal description corrections are permitted only in the case of technical errors made in the survey or legal description, or to improve or maintain the integrity of this Easement. Any approved amendment must be recorded in the Records and a copy of the recorded amendment must be provided to the Approving Parties within thirty (30) days of recordation. Any purported amendment that is recorded without the prior written approval of the Approving Parties will be null and void.

Notwithstanding the above conditions of amendment, 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.

4. **Extinguishment.** Landowner and the Department acknowledge that FLP 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 22-DG-1101000-009 awarded by the Forest Service on July 13, 2022 to the Department. The grant agreement is housed in the USDA Forest Service Regional/Area Office at State and Private Forestry, Region 1, 26 Ft Missoula Rd, Missoula, MT 59804 or in an archival facility per Forest Service policy. 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 United States Department of Agriculture Secretary of Agriculture (the “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.

a. 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.

b. This Easement is partially funded (\$_____ .00) 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.

c. Notice is hereby given that the Conservation Easement described herein 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 conservation 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 specific project was approved for the following statutory purposes, 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 encumbered by this Conservation Easement provides for the statutory purposes listed above, in particular outdoor public recreation use, including free recreational hunting access, wildlife viewing and habitat improvements.

Montana Department of Fish, Wildlife and Parks acknowledges that, under the requirements of the Trust grant, the Land may not be used for purposes inconsistent with the statutory purposes listed above including public outdoor recreational use. The Grantee shall conduct reasonable monitoring of the Project with the Trust to ensure compliance with the provisions above.

Further, the conservation easement cannot be terminated unless the Trust is reimbursed for its proportionate share of the market value of the Conservation Easement at the time of its termination.

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

d. 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 Forest Service FLP Northern Region program manager.

e. 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.

5. Condemnation. If Landowner or the Department is notified of a proposal to condemn all or any portion of the Land, the Department and USDA Forest Service must immediately be notified. If all or any part of the Land is taken by the exercise of the power of eminent domain, or acquired by purchase in lieu of condemnation, so as to terminate this Easement, in whole or in part, Landowner and the Department shall act collaboratively to recover compensation for their respective interests in the Land and this Easement, and all direct or incidental damages resulting therefrom, in accordance with Applicable Laws and the applicable terms of this Easement. If only a portion of the Land is subject to such exercise of the power of eminent domain, this Easement shall remain in effect as to all other portions of the Land. 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 Effective Date. The Department and Landowner agree that the Department's proportionate interest in the value of the Easement is _____ (___%) percent, the NFWF proportionate interest is _____ (___%), the Trust's proportionate interest is _____ (___%), and 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 Effective Date, unless evidence at any condemnation hearing or proceeding demonstrates actual damages to Landowner and the Department which vary from the proportionate interest established above.

K. SUPPRESSION OF WILDFIRES

The Department, in its proprietary capacity as the holder of this Easement, shall not interfere with Landowner's efforts to suppress wildfires, including, without limitation, conducting of pre-suppression activities. Landowner shall use reasonable efforts, under the circumstances, to give the Department prompt notice of any wildfire that Landowner believes will affect the Land, but Landowner shall not be liable for any consequences of its failure to provide such notice or for any attempt to suppress wildfires that is not completely effective in preventing damage to the Land. This Section K is intended to be specific to Landowner's obligation to the Department, as holder of this Easement, and is not meant to supplant or alter Landowner's obligations, as landowner, to Department, as state agency, under all Applicable Law related to fire prevention and suppression.

L. RECORDATION

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

M. 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.** This Easement shall be liberally construed to carry out the Purposes, the FLP and the Guidelines and the policy and purpose of Mont. Code Ann. §76-6-101, et seq., as the same are in effect as of the Effective Date. Each Party has had an opportunity to have this Easement reviewed by an attorney and agree that the terms shall not be presumed construed against the drafter. 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.** This Easement, together with the Easement Baseline Report and the MRMP, sets forth the entire agreement of the Parties with respect to a conservation easement on the Land and supersedes all prior or contemporaneous discussions, negotiations, understandings and 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 respective 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. In the event of any disparity between the counterparts produced, the recorded counterpart shall be controlling.

9. **No Third Party-Beneficiaries.** With the exception of the Forest Service, this Easement does not and is not intended to confer any rights or remedies upon any person or entity other than the Parties hereto and their respective successors and assigns.

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 entered into this Easement effective as of the Effective Date.

LANDOWNER:

GREEN DIAMOND RESOURCE COMPANY

By: _____

Douglas S. Reed
President

ACKNOWLEDGMENTS

STATE OF Washington)
)ss:
COUNTY OF King)

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 Washington

DEPARTMENT:

MONTANA DEPARTMENT OF FISH, WILDLIFE
AND PARKS

By: _____
Dustin Temple, Director

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

This instrument was signed before me on _____ by Dustin Temple,
Director of Montana Department of Fish, Wildlife & Parks.

SEAL

Notary Public

EXHIBIT A
LEGAL DESCRIPTION

TRACT 222:

Government Lots 1, 2, 3, and 4, SW $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, and S $\frac{1}{2}$ of Section 1, Township 25 North, Range 27 West, P.M.M., Sanders County, Montana.

TRACT 227:

E $\frac{1}{2}$ of Section 6, Township 25 North, Range 27 West, P.M.M., Sanders County, Montana.

TRACT 233:

NE $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$, and SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 12, Township 25 North, Range 27 West, P.M.M., Sanders County, Montana.

TRACT 256:

W $\frac{1}{2}$ in Section 1, Township 25 North, Range 28 West, P.M.M., Sanders County, Montana.

TRACT 259:

All of Section 13, Township 25 North, Range 28 West, P.M.M., Sanders County, Montana.

TRACT 262:

NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 30, Township 26 North, Range 26 West, P.M.M., Sanders County, Montana.

TRACT 265:

W $\frac{1}{2}$, SE $\frac{1}{4}$ of Section 14, Township 26 North, Range 27 West, P.M.M., in Sanders County, Montana.

TRACT 266:

All of Section 15, Township 26 North, Range 27 West, P.M.M., Sanders County, Montana.

TRACT 267:

All of Section 17, Township 26 North, Range 27 West, P.M.M., Sanders County, Montana.

TRACT 268:

Government Lots 1, 2, 3, and 4, E $\frac{1}{2}$ W $\frac{1}{2}$, and E $\frac{1}{2}$ of Section 19, Township 26 North, Range 27 West, P.M.M., Sanders County, Montana.

TRACT 269:

N $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ of Section 20, Township 26 North, Range 27 West, P.M.M., Sanders County, Montana.

TRACT 270:

All Section 21, Township 26 North, Range 27 West, P.M.M., Sanders County, Montana.

TRACT 271:

NW $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ NE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ S $\frac{1}{2}$, S $\frac{1}{2}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$, and SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 22, Township 26 North, Range 27 West, P.M.M., Sanders County, Montana.

TRACT 272:

All of Section 23, Township 26 North, Range 27 West, P.M.M., Sanders County, Montana.

TRACT 273:

SW $\frac{1}{4}$, S $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 24, Township 26 North, Range 27 West, P.M.M., Sanders County, Montana.

TRACT 274:

All of Section 25, Township 26 North, Range 27 West, P.M.M., Sanders County, Montana.

TRACT 275:

NW $\frac{1}{4}$ NW $\frac{1}{4}$ and SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 26, Township 26 North, Range 27 West, P.M.M., Sanders County, Montana.

TRACT 276:

All of Section 27, Township 26 North, Range 27 West, P.M.M., Sanders County, Montana.

TRACT 277:

W $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$, NW $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ NE $\frac{1}{4}$, and W $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 28, Township 26 North, Range 27 West, P.M.M., Sanders County, Montana.

TRACT 278:

All of Section 29, Township 26 North, Range 27 West, P.M.M., Sanders County, Montana.

TRACT 279:

Those portions of Government Lots 1, 2, 3, and 4, located in Sanders County, and E $\frac{1}{2}$ and E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 30, Township 26 North, Range 27 West, P.M.M., Sanders County, Montana.

TRACT 280:

Government Lots 1, 2, 3, and 4, E $\frac{1}{2}$, and E $\frac{1}{2}$ W $\frac{1}{2}$ of Section 31, Township 26 North, Range 27 West, P.M.M., Sanders County, Montana.

TRACT 281:

All of Section 32, Township 26 North, Range 27 West, P.M.M., Sanders County, Montana.

TRACT 282:

All of Section 33, Township 26 North, Range 27 West, P.M.M., Sanders County, Montana.

TRACT 283:

SE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, S1/2SW1/4, NW $\frac{1}{4}$ SE $\frac{1}{4}$, and NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 34, Township 26 North, Range 27 West, P.M.M., Sanders County, Montana.

TRACT 284:

All of Section 35, Township 26 North, Range 27 West, P.M.M., Sanders County, Montana.

TRACT 286:

NE $\frac{1}{4}$ NE $\frac{1}{4}$ and SE $\frac{1}{4}$ lying within Sanders County of Section 25, Township 26 North, Range 28 West, P.M.M., Sanders County, Montana.

TRACT 18:

The Northeast Quarter of the Southeast Quarter (NE $\frac{1}{4}$ SE $\frac{1}{4}$), lying and being Southerly of the Southern right-of-way of US Highway 2, and the Southwest Quarter of the Southeast Quarter (SW $\frac{1}{4}$ SE $\frac{1}{4}$) of Section 8, Township 26 North, Range 26 West, M.P.M., Flathead County, Montana.

TRACT 19:

The South half of the Northwest Quarter (NW $\frac{1}{4}$), lying Southerly of the Southern right-ofway of US Highway 2 and the South Half (S $\frac{1}{2}$) of Section 9, Township 26 North, Range 26 West, M.P.M., Flathead County, Montana.

TRACT 20:

The Northeast Quarter (NE $\frac{1}{4}$), the North Half of the Northwest Quarter (N $\frac{1}{2}$ NW $\frac{1}{4}$), the Southeast Quarter of the Northwest Quarter (SE $\frac{1}{4}$ NW $\frac{1}{4}$) and the North Half of the Southeast Quarter (N $\frac{1}{2}$ SE $\frac{1}{4}$) of Section 15, Township 26 North, Range 26 West, M.P.M., Flathead County, Montana.

TRACT 21:

The North Half of the Northeast Quarter (N $\frac{1}{2}$ NE $\frac{1}{4}$), the Southeast Quarter of the Northeast Quarter (SE $\frac{1}{4}$ NE $\frac{1}{4}$) and the Northeast Quarter of the Southeast Quarter (NE $\frac{1}{4}$ SE $\frac{1}{4}$) of Section 17, Township 26 North, Range 26 West, M.P.M., Flathead County, Montana.

TRACT 22:

The Southeast Quarter (SE $\frac{1}{4}$) and the East Half of the Southwest Quarter (E $\frac{1}{2}$ SW $\frac{1}{4}$) of Section 21, Township 26 North, Range 26 West, M.P.M., Flathead County, Montana.

TRACT 23:

All of Section 26, Township 26 North, Range 26 West, M.P.M., Flathead County, Montana.

TRACT 24:

The South Half (S $\frac{1}{2}$) and the Southwest Quarter of the Northwest Quarter (SW $\frac{1}{4}$ NW $\frac{1}{4}$) of Section 27, Township 26 North, Range 26 West, M.P.M., Flathead County, Montana.

TRACT 27:

The East Half (E $\frac{1}{2}$) of Section 33, Township 26 North, Range 26 West, M.P.M., Flathead County, Montana.

TRACT 28:

The Northwest Quarter (NW $\frac{1}{4}$), the North Half of the Northeast Quarter (N $\frac{1}{2}$ NE $\frac{1}{4}$) and the Southwest Quarter of the Northeast Quarter (SW $\frac{1}{4}$ NE $\frac{1}{4}$) of Section 34, Township 26 North, Range 26 West, M.P.M., Flathead County, Montana.

TRACT 139:

The East Half of the Northeast Quarter (E $\frac{1}{2}$ NE $\frac{1}{4}$) of Section 28, Township 26 North, Range 26 West, M.P.M., Flathead County, Montana

TRACT 324:

The Southeast Quarter of the Northeast Quarter; the Northeast Quarter of the Southwest Quarter and the Northwest Quarter of the Southeast Quarter, all lying South of the Southern right-of-way of US Highway 2, all in Section 8, Township 26 North, Range 26 West, P.M.M., Flathead County, Montana.

TRACT 325:

All of Section 10, Township 26 North, Range 26 West, P.M.M., Flathead County, Montana, lying South of the Southern right-of-way of US Highway 2.

TRACT 327:

All of Section 13, Township 26 North, Range 26 West, P.M.M., Flathead County, Montana.

TRACT 328:

All of Section 14, Township 26 North, Range 26 West, P.M.M., Flathead County, Montana.

TRACT 329:

The Southwest Quarter; the Southwest Quarter of the Northwest Quarter and the South Half of the Southeast Quarter, all in Section 15, Township 26 North, Range 26 West, P.M.M., Flathead County, Montana.

TRACT 330:

All of Section 16, Township 26 North, Range 26 West, P.M.M., Flathead County, Montana.

TRACT 332:

The Northeast Quarter (NE¼) and the East Half of the Northwest Quarter (E½NW¼) of Section 21, Township 26 North, Range 26 West, P.M.M., Flathead County, Montana.

TRACT 333:

All of Section 22, Township 26 North, Range 26 West, P.M.M., Flathead County, Montana.

TRACT 334:

All of Section 23, Township 26 North, Range 26 West, P.M.M., Flathead County, Montana.

TRACT 335:

The West Half of Section 25, Township 26 North, Range 26 West, P.M.M., Flathead County, Montana.

TRACT 337:

The West Half of the East Half (W½E½) and the Southeast Quarter of the Southeast Quarter (SE¼SE¼), all in Section 28, Township 26 North, Range 26 West, P.M.M., Flathead County, Montana.

TRACT 55:

All that portion located in Lincoln County of Section 25, Township 26 North, Range 28 West, P.M.M., Lincoln County, Montana.

TRACT 76:

All that portion lying within Lincoln County of Section 30, Township 26 North, Range 27 West, P.M.M., Lincoln County, Montana.

TRACT 236:

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

TRACT 247:

All Fractional Section 3, Township 29 North, Range 28 West, P.M.M., Lincoln County, Montana.

TRACT 248:

All of Section 4, Township 29 North, Range 28 West, P.M.M., Lincoln County, Montana.

TRACT 249:

All Fractional Section 5, Township 29 North, Range 28 West, P.M.M., Lincoln County, Montana.

TRACT 250:

The S½, Section 6, Township 29 North, Range 28 West, P.M.M., Lincoln County, Montana.

TRACT 251:

All of Section 7, Township 29 North, Range 28 West, P.M.M., Lincoln County, Montana.

TRACT 253:

The N $\frac{1}{2}$ and the N $\frac{1}{2}$ S $\frac{1}{2}$ of Section 9, Township 29 North, Range 28 West, P.M.M., Lincoln County, Montana.

TRACT 254:

The S $\frac{1}{2}$ S $\frac{1}{2}$ of Section 9, Township 29 North, Range 28 West, P.M.M., Lincoln County, Montana.

TRACT 255:

All of Section 10, Township 29 North, Range 28 West, P.M.M., Lincoln County, Montana.

TRACT 256:

All of Section 11, Township 29 North, Range 28 West, P.M.M., Lincoln County, Montana.

TRACT 257:

The W $\frac{1}{2}$ NW $\frac{1}{4}$, the SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$ and Government Lots 3 and 4 of Section 12, Township 29 North, Range 28 West, P.M.M., Lincoln County, Montana.

TRACT 261:

All of Section 15, Township 29 North, Range 28 West, P.M.M., Lincoln County, Montana.

TRACT 263:

The W $\frac{1}{2}$ of Section 18, Township 29 North, Range 28 West, P.M.M., Lincoln County, Montana.

TRACT 277:

All of Section 26, Township 29 North, Range 28 West, P.M.M., Lincoln County, Montana.

TRACT 356:

All of Section 25, Township 30 North, Range 28 West, P.M.M., Lincoln County, Montana.

TRACT 357:

All of Section 27, Township 30 North, Range 28 West, P.M.M., Lincoln County, Montana.

TRACT 358:

All of Section 29, Township 30 North, Range 28 West, P.M.M., Lincoln County, Montana, Excepting therefrom the NW $\frac{1}{4}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$.

TRACT 359:

All Fractional Section 33, Township 30 North, Range 28 West, P.M.M., Lincoln County, Montana.

TRACT 360:

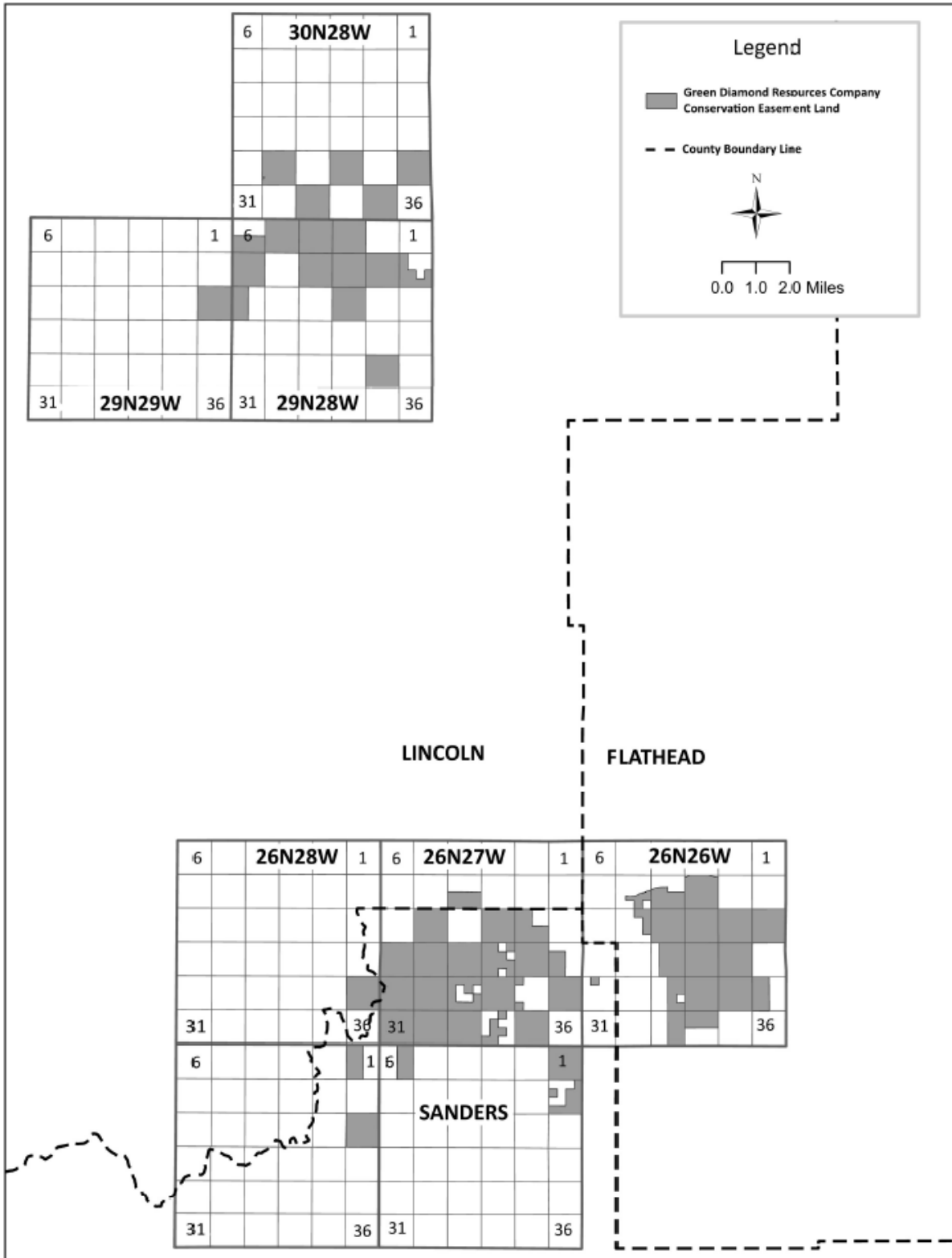
All Fractional Section 35, Township 30 North, Range 28 West, P.M.M., Lincoln County, Montana.

TRACT 446:

The S $\frac{1}{2}$ of Section 9, Township 26 North, Range 27 West, P.M.M., Lincoln County, Montana.

END OF EXHIBIT A

**EXHIBIT B
MAP OF THE LAND**



END OF EXHIBIT B

EXHIBIT C RESTRICTED ZONE

(i) The Restricted Zone, as depicted on the map(s) attached to the MRMP as Exhibit C, 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 from harvest activities 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 C: DRAFT Montana Great Outdoors Conservation Easement – Phase 1
Multi-Resource Management Plan

MULTI-RESOURCE MANAGEMENT PLAN

Montana Great Outdoors Conservation Project -- Phase 1

This Multi-Resource Management Plan (the “MRMP”), dated as of _____, 2024, is entered into by **Green Diamond Resource Company** (hereinafter referred to as the “Landowner”), having an address of 1301 Fifth Avenue, Suite 2700, Seattle, WA 98101, and the **Montana Department of Fish, Wildlife and Parks** (hereinafter referred to as the “Department”), having an address of 1420 East Sixth Avenue, P.O. Box 200701, Helena, Montana 59620-0701.

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 _____, 2024 and recorded in Document No. _____ of the records of Lincoln County, Document No. _____ of the records of Flathead County, and Document No. _____ of Sanders County, Montana (collectively referred to as the “Easement”) and is consistent with the provisions of the Forest Legacy Program (“FLP”) and the Purposes set forth in the Easement.

Pursuant to the FLP Implementation Guidelines, dated May 2017, the requirement for Landowner to manage the Land (as defined below) for the purposes that it was entered into the FLP is met by managing the property in accordance with this MRMP. The intent of this MRMP is to identify and describe the objectives and actions that the Landowner will take to implement the Purposes of the Easement.

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

Exhibit A – Green Diamond Open Lands Policy

Exhibit B – Grazing Indicators and Best Management Practices

Exhibit C - Restricted Zone Map(s)

Exhibit D – Communications Towers/Fire Support Structures Proposed Locations

I. GENERAL DESCRIPTION

The land that is the subject of the Easement and this associated MRMP consists of 32,981 acres in northwestern Montana, near the City of Libby and Kalispell (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 north and south of Highway 2, immediately tangent to the Thompson Chain of Lakes, between the City of Libby and Kalispell, Montana and consists of 63 whole or partial sections. All of the Land is located within Lincoln, Sanders, and Flathead counties.

The Land consists predominantly of forested valley bottoms and mountains managed for timber production over the last 100 years. The Land also includes numerous small streams and wetland areas.

Mixed conifer forests, inclusive of all commercial timber species found in Montana, dominate the landscape. The current forest is well stocked with vigorously growing native mixed species.

Dominant species are Douglas-fir, western larch, true firs, Ponderosa pine, and lodgepole pine. Spruce, white pine, hemlock, and cedar can also be found in most of the area. 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.

II. FOREST MANAGEMENT

The Landowner's objective is to utilize its resources through innovative forestry management and harvest techniques.

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.

The Landowner has committed to manage the Land in accordance with good and sound silvicultural practices as set forth in the Easement. As part of its commitments to sustainable forest management the Landowner agrees to follow metrics to measure their activities, described in more detail in Section IV, below. These commitments and metrics are intended solely to provide measures to ensure the MRMP objectives are met. If the Landowner's forest practices are found to vary from these guidelines, Landowner and Department will work together to develop, and ensure that the Landowner implements, a plan to bring the practices into compliance.

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 Montana Forestry Best Management Practices ("BMPs") and Streamside Management Zone ("SMZ") training, conducted by the Montana Logging Association and presented by the Montana Department of Natural Resources and Conservation. The Landowner will continue to manage the Land in compliance with the Easement, this MRMP, BMPs, forest certification standards, the Restricted Zone requirements contained in the Easement, and the Native Fish Habitat Conservation Plan as originally approved by the U.S. Fish and Wildlife Service on October 25, 2000 ("NFHCP") commitments through its current or any extended term. Any amendment or future Conservation Plan (as defined in the Easement) associated with the Land shall be automatically incorporated into this MRMP for the applicable term of any such plan.

III. OTHER RESOURCES

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 practicable by recycling harvest residues for soil nutrient enhancement.

B. Water

The Landowner will continue to implement BMP's and comply with SMZ laws. In addition, the Landowner will manage the Land as required by the NFHCP, any extensions of the NFHCP term and any Conservation Plan (as defined in the Easement).

C. Range

The Land may be used or leased for grazing consistent with the Grazing Management Indicators and Best Management Practices, attached hereto and incorporated herein by reference as **Exhibit B**.

D. Aesthetic Quality

The Landowner recognizes the aesthetic values along Highway 2 and county roads. The Landowner will manage these areas within the Land by using aesthetically appropriate design standards and harvest methods, pursuant to the SFI Standard.

E. Recreation

The terms of the Easement provide for public use of the Land, for the purpose of non-commercial dispersed recreation on the Land, including, but not limited to, hunting, huckleberry picking, fishing, trapping, hiking, camping, snowshoeing, skiing, biking and wildlife viewing, subject to certain regulations and restrictions as set forth in the Easement and as further specified in **Exhibit A** of this MRMP.

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, cooperation with state and federal fish and wildlife agencies and other measures specified in this MRMP.

The Landowner commits to managing the Land to protect fish in accordance with the NFHCP through its expiration, and as it may be extended or amended from time to time with the mutual consent of the Landowner and the USFWS. Any extension of the NFHCP or new Conservation Plan (as defined in the Easement) shall be automatically incorporated into this MRMP for the applicable term of such plan.

The Land is important for wildlife such as elk, deer, moose, black bear, grizzly bear, Canada lynx, wolverine, fisher, songbirds, cavity-nesting birds, and a variety of other native and migratory wildlife species. The Landowner will manage the Land consistent with Sections II and IV of this MRMP.

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.

I. Commercial Recreation

Commercial recreation is authorized subject to the terms of the Easement.

J. Carbon Sequestration

Landowner may choose to modify its forest management activities to monetize forest carbon so long as such activities are consistent with the terms of the Easement.

IV. SELECTED METRICS

A. **Retain two large snags and one large snag recruits per acre and downed coarse woody debris.**

1. **Metric:** Retain 2 large (>15-inch diameter or in the next available size class) snags per acre where they exist. Retain one large (>15-inch diameter or in the next available size class) snag recruit per acre. Live trees having no commercial value and characteristics such as forked tops, cavities, and heart rot are recognized as highly appropriate snag recruits. Substitution of such highly appropriate snag recruits to meet the snag retention metrics and clumping of snags and green trees is acceptable with an even distribution across harvest units being preferred. With this metric, the intent is to increase, over time, the number of large snags across the landscape. However, there is no requirement to create snags from green trees by girdling or other methods. Retain at least one previously downed log 15 inches in diameter and 20 feet long per acre or the largest available size class. If large snags must be cut due to safety concerns, they will be retained in the unit to provide large coarse-woody debris.

2. **Reporting:** Documentation in pre-operations checklists, contract administration reports, and post-sale BMP audits will be made available at Landowner's offices for viewing by the Liaison Team upon request prior to annual MRMP meeting of the Liaison Team.

B. **Reduce large opening size to facilitate the movement of wildlife across forest openings.**

1. **Metric:** When implementing forest management treatments that retain <25 sawtimber size class trees (9-inches dbh) per acre and encompass areas larger than 40 acres, a minimum of ½ acre of suitable cover will be retained for every 40 acres. Allowances are anticipated for situations in which broadcast burns are prescribed, situations in which shrubs or advanced regeneration are not present in the understory, or where operational limitations may exist (such as might be the case on steep ground). Riparian vegetation retained to comply with the SMZ law works well for this purpose. The retained cover will be considered to be an Equipment Limitation Zone.

2. **Reporting:** Documentation in pre-operations checklists, contract administration reports, and post-sale BMP audits will be made available at Landowner's offices for viewing by the Liaison Team upon request prior to annual MRMP meeting of the Liaison Team.

C. **Facilitate the development of multi-storied canopies.**

1. **Metric:** In pre-commercial thinning units retain small, shade-tolerant trees (such as grand fir, subalpine fir, and Engelmann spruce) when determined by Landowner that such

species do not pose a competition risk to desired crop trees, create or increase a risk to long-term fire resiliency or create or exacerbate forest health issues.

- **2. Reporting:** Documentation in pre-operations checklists, contract administration reports, and post-sale BMP audits will be made available at Landowner's offices for viewing by the Liaison Team upon request prior to annual MRMP meeting of the Liaison Team.

D. Protect aspen and cottonwoods.

1. Metric: The harvest, felling, destruction, and removal of cottonwood and aspen trees over 9-inches dbh are prohibited, except:

- a) As may occur incidentally during the normal conduct of forest management activities or brush control and thinning needed to promote conifer regeneration;
- 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) With Prior Approval as defined in the Easement.

2. Reporting: Documentation in pre-operations checklists, contract administration reports, and post-sale BMP audits will be made available at Landowner's offices for viewing by the Liaison Team upon request prior to annual MRMP meeting of 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 recreation.

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 prior written permission (email or other informal written communication is sufficient) from the Landowner and only while on-duty conducting official business of the Department. As needed, a liaison team representing the Department and the Landowner may be established to deal with management issues that may arise over time. It is expected that this MRMP may 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., likely to be active vs. inactive in the forthcoming year).

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 NFHCP or 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 shall 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:

GREEN DIAMOND RESOURCE COMPANY

By: _____
Douglas S. Reed
President

DEPARTMENT:

MONTANA DEPARTMENT OF FISH, WILDLIFE AND PARKS

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

EXHIBIT A
GREEN DIAMOND OPEN LANDS POLICY



Open Lands Policy
Green Diamond Resource Company Montana Timberlands

Updated: May 2022

Green Diamond Resource Company (“Green Diamond”) welcomes the responsible public use of its privately-owned land for limited non-commercial recreational activities in accordance with this Open Lands Policy. Please adhere to the following rules and restrictions and all applicable laws when using Green Diamond lands in Montana. This Open Lands Policy may be updated at any time.

Please report violations or vandalism to Montana Department of Fish, Wildlife & Parks.

REPORT VIOLATIONS TO:

Tip-Mont Hotline: 1-800-847-6668 (1-800-TIP-MONT)

Online: <https://myfwp.mt.gov/fwpPub/tipmont>
Montana FWP Region 1 Office
490 North Meridian Road, Kalispell, MT 59901

General Restrictions:

- All off-road use of motorized vehicles is PROHIBITED. This includes, without limitation, the use of motorcycles, electronic bicycles, snowmobiles*, 4 Wheelers, ATVs, UTVs, and OHVs.
- Trail building or construction of any permanent structures is PROHIBITED.
- All commercial activity, including trapping and woodcutting is PROHIBITED without a Use Permit issued by Green Diamond.
- Firewood cutting is allowed by permit only.
- It is your responsibility to know whose property you are using. Avoid trespassing on the private property of others to reach Green Diamond lands.
- Fireworks and exploding targets are PROHIBITED.

Road Restrictions:

Green Diamond restricts motorized access on Green Diamond lands for many reasons, including but not limited to, protection of wildlife, prevention of sedimentation from logging roads, to reduce the spread of noxious weeds, and to protect our private land assets. The following rules apply to Green Diamond roads:

- All off-road use of motorized vehicles is PROHIBITED. This includes, without limitation, the use of motorcycles, electronic bicycles, snowmobiles*, 4 Wheelers, ATVs, UTVs, and OHVs.
- Road use is restricted with gates, barricades, earthen barriers, and/or signs. These restrictions may be on roads owned by Green Diamond or on roads that are cooperatively managed with adjacent landowners. A cooperative road management sign identifies the intended restriction.
- A gate, whether opened or closed, with no signage stating otherwise, is a year-round closure to all motorized vehicles operated by the public.

Page 1 of 2

Green Diamond Montana Open Lands Policy – (continued)

- Behind gates and barriers: walking, use of non-motorized bicycles, and riding horses is allowed.
 - Road restrictions apply behind unmarked gates, even if the gate is vandalized or open.
 - For a road to be open for public use behind a gate, it must be specifically designated by a sign as “Open” or show a “seasonal” open sticker.
 - An earthen barrier is considered a “Closure” to all motorized vehicles.
(* Exception: Snowmobile use beyond earthen barriers is allowed between Dec 1st and April 1st.)
 - Gates must not be blocked at any time. Administrative, contractor or emergency traffic may need access.
-

Camping Restrictions:

- Camping is limited to 14 days per campsite. During this time, the campsite must not be left unattended for more than three consecutive days. Camping beyond 14 days requires relocating to a new site at least five miles from the original site. Cutting of standing trees is PROHIBITED.

Campfires:

- Campfires may be restricted at any time by Green Diamond or state authorities. Any campfire restrictions will be posted on the Montana FWP Block Management website, and posted at key entry points to Green Diamond ownership. When allowed, campfires must be built in previously established campfire locations away from fuels such as logs, trees, and decaying leaves and needles. Always keep a shovel and bucket of water nearby at all times. While the fire is burning, there must be a responsible person in attendance at all times. All campfires must be completely extinguished using the “drown, stir and feel” method: drown the fire with water, then stir around the fire with your shovel to wet any remaining embers and ash. Be sure to turn wood and coals over and wet all sides. Add dirt if needed to fully smother the fire. And finally, feel the area with the back of your hand to ensure nothing is still smoldering (cold to touch). People that build campfires will be responsible for all financial loss and suppression costs associated with escaped campfires.

Campers must:

- Pack out all garbage and leave the area clean.
 - Avoid polluting with human waste. Toilets located within 300 feet of water must be self-contained.
-

Wolf Trapping & Hunting:

- Recreational wolf trapping, as defined by published Montana FWP trapping regulations, is allowed. Regulations and limits will adhere and be as defined by set Montana FWP trapping license regulations. Wolf trappers must be MFWP “Wolf Trapper Certified”.
- Wolf trappers must register at local MFWP Regional offices with; name, trapping location – (S/T/R) and phone #. No trapping on active logging and road construction projects (if machinery is in the area, it is closed to trapping). Land based- Trap setbacks required; 150’ from all open or gated roads and hiking trails. 1,000’ from all residences and trailheads.
- Wolf hunting at night or with bait is PROHIBITED. Wolf hunting is allowed only between 30 minutes prior to sunrise and 30 minutes following sunset.
- Snaring of wolves and furbearers is PROHIBITED.

EXHIBIT B
GRAZING INDICATORS AND BEST MANAGEMENT PRACTICES

Green Diamond Resource Company (“Green Diamond”) believes that forestry and livestock grazing are legitimate land uses, and if conducted in a manner consistent with good stewardship of the land, are fully compatible with maintaining high quality water and fisheries. Grazing of Green Diamond lands will be done in an environmentally sensitive manner, adhering to sound stewardship principles and Grazing Best Management Practices, which have four primary components:

1. Environmental Trend Indicators

The intent of Environmental Trend Indicators (ETI’s) is to provide a benchmark by which Green Diamond can ensure that its corporate environmental objectives are met. Green Diamond believes that for the vast majority of cases, the ETI’s outlined below will maintain or improve conditions over time. In all cases, they provide measurable criteria, or metrics, that can be used in determining whether range management planning goals are being met.

Environmental Trend Indicators	Description
Streambank Stability	Livestock-caused bank disturbance will affect no more than 10% of streambanks. This will be measured as the number of feet of livestock-altered bank divided by 100 feet of measured bank.
Riparian Compaction	Less than 10% of riparian soils will be affected by livestock hoof displacement/ compaction (Riparian soils occur in the lush, damp area around streams and ponds). This will be visually estimated over a 1/10th-acre area (66 feet by 66 feet).
Grass Utilization	Riparian grasses, sedges, and rushes may be utilized to no less than 8 inches in height. Where 8-inch heights are unattainable, allotment-specific analyses can be performed to determine what the potential is. The allotment-specific Indicator would then be a maximum of 50% utilization. In no case however, will stubble heights be less than 4 inches. Upland grasses may be utilized at levels that promote healthy range conditions.
Shrub Utilization	No more than 25% of the current year’s shrub

	growth (including willows and trees) can be damaged/utilized by livestock. An illustration demonstrating 25% shrub utilization is shown in Appendix 2.
Visual Appearance	Must look good. Subjectively rated by Green Diamond lease administrator
Tree Regeneration	Less than 10% of seedlings and other trees can have physical damage caused by livestock. This includes damage to the terminal bud and leader, or by scarring/scraping. In addition, compaction caused by livestock must not inhibit tree regeneration. This will be visually evaluated over a 1/10th-acre area (66 feet by 66 feet).
Shrub Regeneration	Where they can exist, shrubs must be present along streams and in riparian areas, with all age classes represented. This is to be measured by noting presence, size classes, and numbers.
Noxious Weeds	Note presence and species (no numeric indicator value - monitor and note).

2. Range Management Plans

Each leaseholder will develop an annual Range Management Plan (RMP) that describes the management system that will be implemented during the grazing season. RMP's are subject to approval by the designated Green Diamond lease administrator prior to turnout each grazing season. In the RMP, the leaseholder will identify the suite of management practices appropriate to the specific grazing area, designed to meet the ETI's and/or result in steady improvement toward attainment of the ETI's, and applying the leaseholder's knowledge of grazing management and the conditions specific to the grazing area.

The general categories of management practices to be considered include:

- Type of Livestock
- Stocking Density
- Duration of Grazing
- Frequency of Grazing
- Timing of Grazing
- Distribution of Grazing
- Forage Utilization

The following is an illustrative list of grazing best management practices to be considered for inclusion in the RMP:

Grazing Best Management Practices:

Proper Use and Location of Salt

Salt shall be located well away from streams, ponds, seeps, and other riparian areas to avoid concentrating livestock use in these sensitive areas (minimum of ¼ mile away). Salt can also be an effective tool for dispersing livestock into areas of feed that are not being used. Salt should be moved at least twice per season. Salt is best located on south-facing slopes in the early season and in shaded areas far from streams, ponds, seeps, and other riparian areas in the late season.

Livestock Watering Improvements and Maintenance

In areas where livestock are watering in streams and this is resulting in stream bank damage, livestock watering improvements will be considered. These may include developing springs on hills to feed a trough. All existing watering improvements on the lease must be maintained on a frequent basis to ensure they are functioning properly. Stock water developments should have water-catchment areas fenced out. Place a board in the water tank (cows won't drink as readily out of tanks with dead smelly critters in them; i.e., if a mouse falls in it can crawl out on the board) and place 2 ounces of copper per 1000 gallons of water to keep algae under control.

Mobile Watering Devices

To improve livestock distribution, mobile watering devices could be considered.

Fence Construction and Maintenance

Where livestock have caused severe riparian/stream damage and no other control mechanism is feasible, permanent or temporary fencing may be the only solution for improving the riparian condition. Existing fences on the lease (stream enclosures, drift fences, pastures, etc.) shall be maintained as needed to ensure they are effective. At a minimum, these fences shall be checked and repaired annually. Fence gates will be maintained appropriately. Signs can be effective in maintaining gate closure where roads are subject to public use.

Season of Use (Spring, Summer, Fall, Season-Long)—Timing of Turnout

The timing of animal turnout and roundup can be critical for minimizing range and riparian damage. Riparian areas are most vulnerable when soils are at their wettest. Season-long grazing may not be a feasible alternative for protecting streams.

Rotated Pastures

Having several pastures on an allotment can be an effective way to control the timing and duration of grazing in an area. Multiple pastures can be utilized in a way that minimizes riparian and stream damage. Where rotated pastures are used, the order in which pastures are grazed should be periodically changed.

Riding (Moving Stock Around)

Where cows congregate (especially in riparian areas), they should be frequently moved to minimize riparian and stream impacts.

Bulls on Range

Bulls must be managed in a way that minimizes environmental impacts. If bulls on the range are resulting in non-attainment of the ETIs listed on Page 1 or are precluding an improving trend in conditions, they must be removed from the range.

Armor Watering Holes on Creeks

In some cases, stream channel impacts are only located in a few areas where animals water. In some cases, armoring the channel with clean rock can prevent bank damage and sedimentation. This improvement will likely require a permit from the local Conservation District. Contact your Green Diamond lease administrator prior to implementing this management measure.

Proper Number of Animals

The number of animals utilizing the range shall not exceed the carrying capacity of the range. The carrying capacity is that level of use greater than which would result in the inability to achieve the Green Diamond ETIs (see page 1). Good management may, therefore, result in a higher carrying capacity while, conversely, poor management will reduce the carrying capacity.

Yearling Herds

Turning out only yearling cows can be used effectively to achieve better distribution on the range.

Rotating Herds

In some cases, livestock herds have developed a pattern of use for a particular area. This can lead to continued use and damage of sensitive riparian areas. In some cases, rotating a new herds into the lease can help recover areas that have been impacted over the years.

Upland Wildlife Considerations

Over utilization of upland areas can have negative impacts on many wildlife species. Consideration should be given to maintaining healthy and productive grassland communities in uplands, especially in areas that are important to wintering elk herds. Significant changes in vegetative species composition, reductions in ground cover, and degradation of winter forage availability in important elk wintering areas should be avoided.

Understory vegetation (such as woody shrubs) is an important source of browse, nesting areas, and cover for many wildlife species. The condition of understory vegetation should be monitored and downward trends in shrub availability should be avoided.

Vegetation Rehabilitation

Planting shrubs and trees can be effective in restoring plant communities to sensitive riparian areas, especially when done in conjunction with exclusion of grazing for a season or more. Dense shrub growth can stabilize stream banks as well as restrict livestock use along streams.

Intensify Management where Roads Cross Streams

Roads that cross streams may provide an efficient entry for livestock to sensitive stream corridors, thus encouraging unwanted riparian grazing. Management tools to employ at this key location include:

- Wing fences back to impassable vegetation or terrain
- Installation of slash filter windrows at toe of road fills

Use Vegetation to Restrict or Control Livestock Movement

Examples include those mentioned, such as slash filter windrows or establishment of shrubs along streams, but also includes any opportunity to utilize vegetation or woody debris which discourages free movement of livestock along stream corridors. In consultation with the Green Diamond lease administrator, for instance, the leaseholder may try strategically felling trees/snags or placing debris/slash in riparian cow trails to discourage their use.

Weed Control

To prevent the spread of noxious weeds, grass seed can be applied in areas that have been stripped of vegetation. These areas include disturbed soils around salt licks and water tanks. In addition, notify the Green Diamond lease administrator of any new weeds on the allotment.

3. Monitoring.

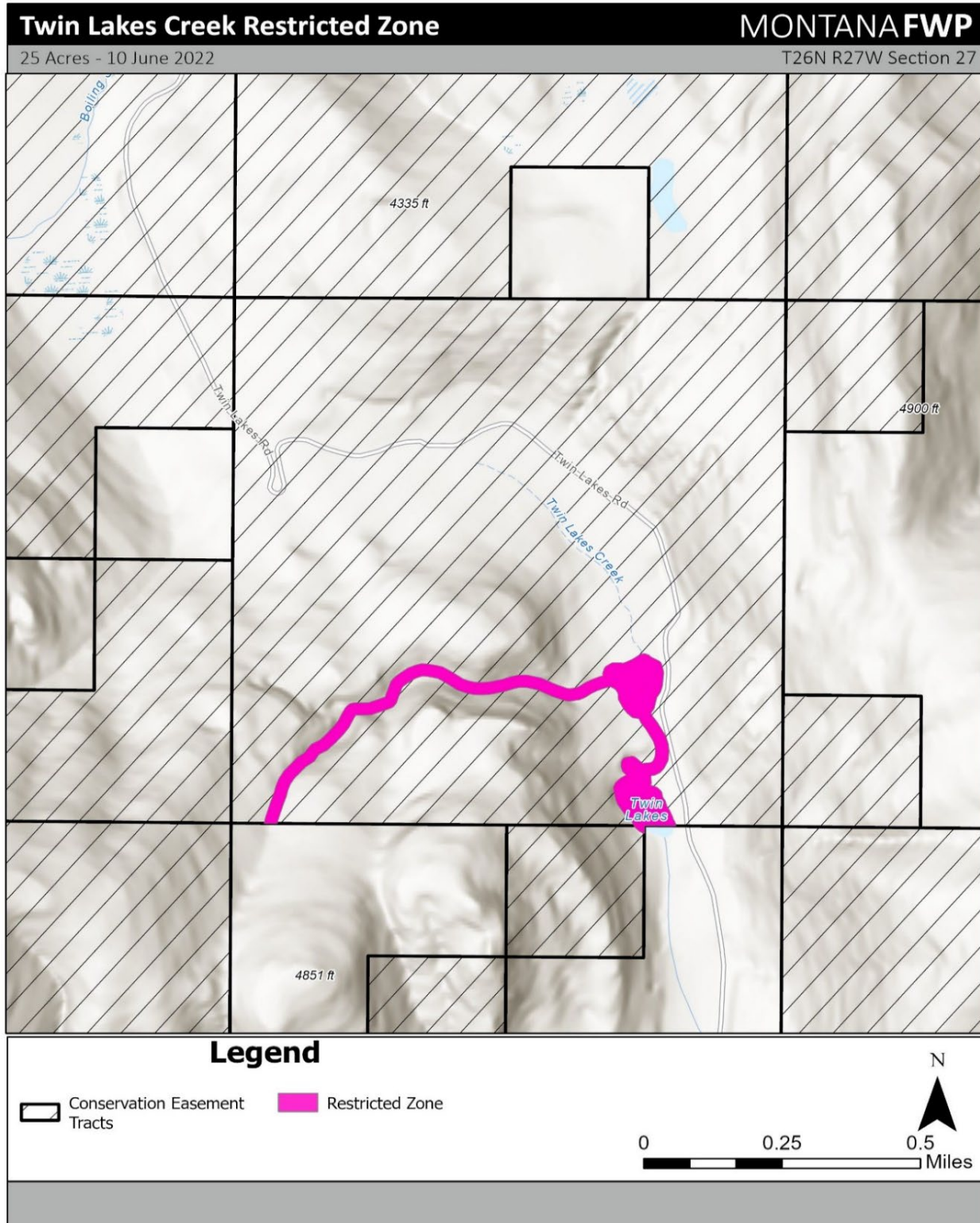
Leaseholders will monitor stream and riparian conditions at identified sensitive locations on their grazing allotment at least twice each season. Monitoring is an opportunity to examine how the RMP implementation is working in sensitive areas and what may need to be modified. Monitoring involves a simple form and photo-points to be submitted to Green Diamond by the leaseholder.

4. Reporting.

At the end of each grazing season, leaseholders will prepare a report that describes what worked well during the grazing season and what did not with regard to ETI's, or other areas of concern identified by leaseholder and Green Diamond, and includes a list of things that would need to be modified in the next year's RMP. If adequate progress is not made in attaining the ETI's, or improving conditions over time, Green Diamond may require specific practices to be implemented, or terminate the lease.

EXHIBIT C
RESTRICTED ZONE MAP(S)

(See also Sections II.C.1 and II.D.1 and Exhibit C of the Easement for reference)

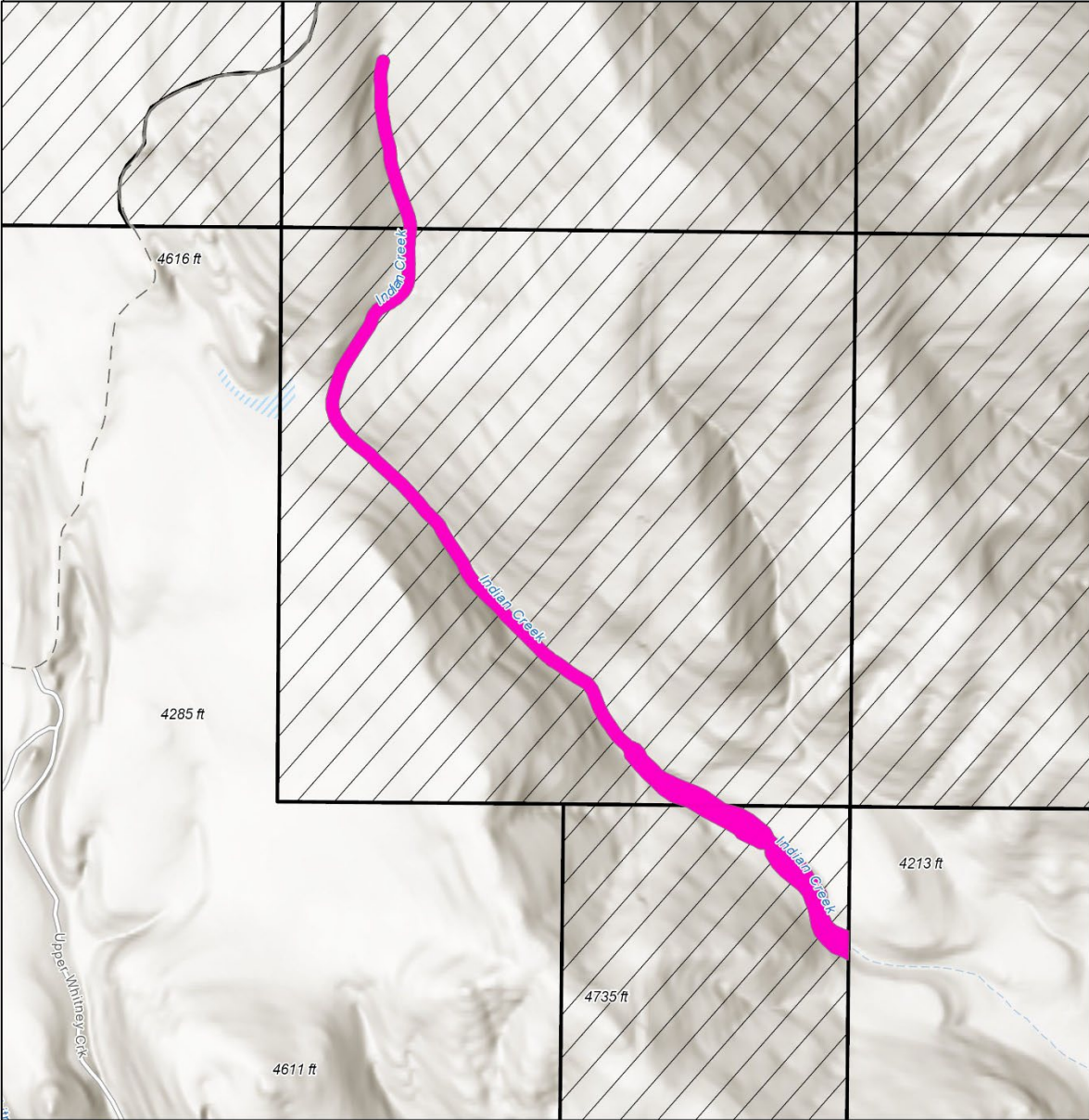


Indian Creek Restricted Zone

MONTANA FWP

35 Acres - 10 June 2022

T26N R27W Sections 30 and 31; T25N R27W Section 6



Legend

-  Conservation Easement Tracts
-  Restricted Zone

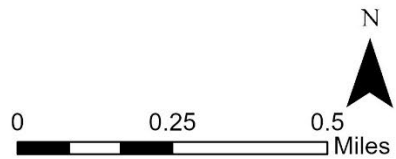
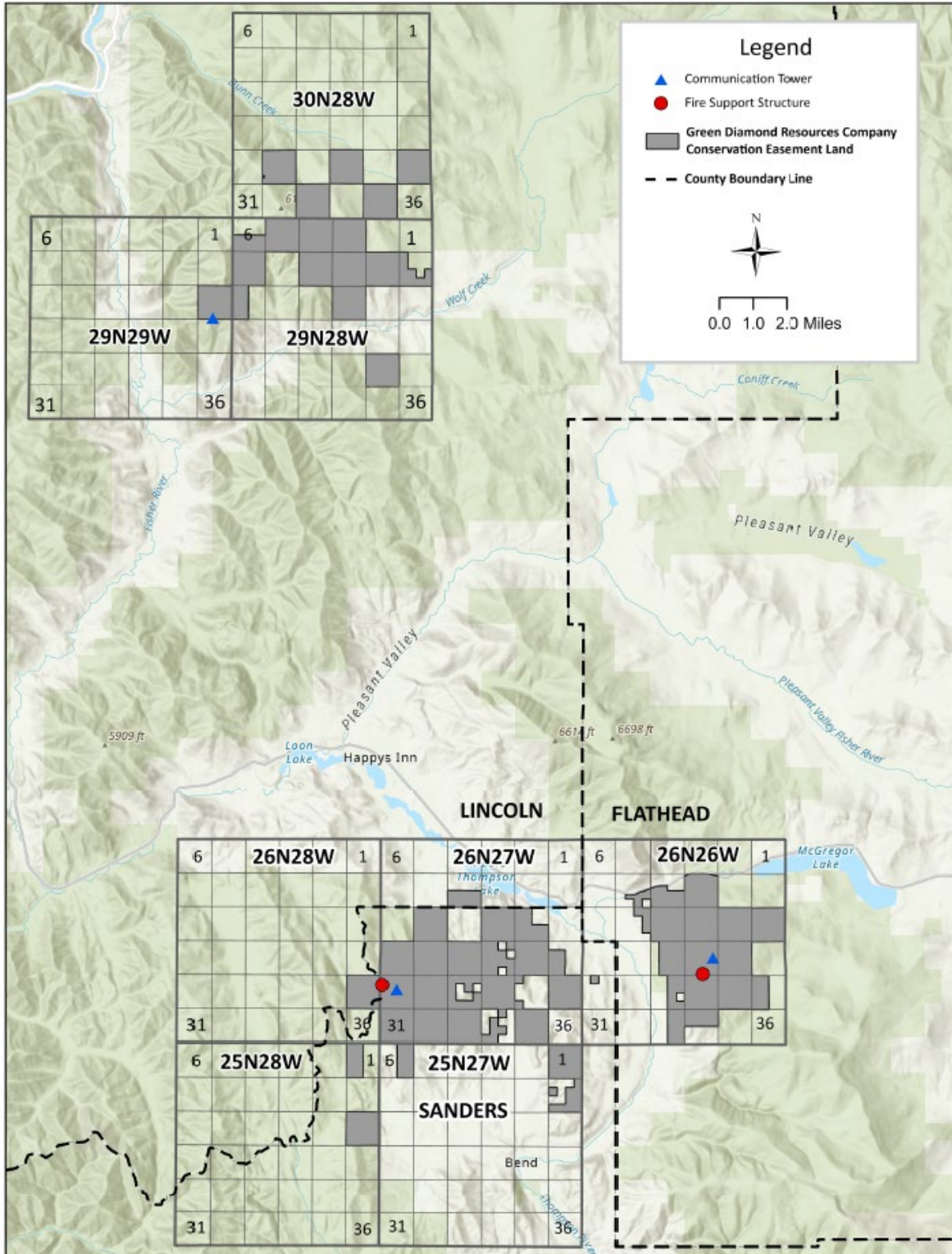


EXHIBIT D
COMMUNICATIONS TOWERS/FIRE SUPPORT STRUCTURES
PROPOSED LOCATIONS
 (See also Section II.C.14.f of the Easement for reference)



APPENDIX D: LIST OF NOXIOUS PLANTS

Common Name	Scientific Name	Common Name	Scientific Name
Blueweed	<i>Echium vulgare</i>	Meadow Hawkweed	<i>Hieracium caespitosum</i>
Canada Thistle	<i>Cirsium arvense</i>	Medusahead	<i>Taeniatherum caput-medusae</i>
Cheatgrass	<i>Bromus tectorum</i>	Orange Hawkweed	<i>Hieracium aurantiacum</i>
Common Buckthorn	<i>Rhamnus cathartica</i>	Oxeye Daisy	<i>Leucanthemum vulgare</i>
Common Hound's-tongue	<i>Cynoglossum officinale</i>	Purple Loosestrife	<i>Lythrum salicaria</i>
Common St. John's-wort	<i>Hypericum perforatum</i>	Rush Skeletonweed	<i>Chondrilla juncea</i>
Common Tansy	<i>Tanacetum vulgare</i>	Scotch Broom	<i>Cytisus scoparius</i>
Curly-leaf Pondweed	<i>Potamogeton crispus</i>	Spotted Knapweed	<i>Centaurea stoebe</i>
Dalmatian Toadflax	<i>Linaria dalmatica</i>	Sulphur Cinquefoil	<i>Potentilla recta</i>
Diffuse Knapweed	<i>Centaurea diffusa</i>	Tall Buttercup	<i>Ranunculus acris</i>
Dyer's Woad	<i>Isatis tinctoria</i>	Tansy Ragwort	<i>Senecio jacobaea</i>
Eurasian Water-milfoil	<i>Myriophyllum spicatum</i>	Ventenata	<i>Ventenata dubia</i>
Hoary False-alyssum	<i>Berteroa incana</i>	Yellow Starthistle	<i>Centaurea solstitialis</i>
Kingdevil Hawkweed	<i>Hieracium praealtum</i>	Yellow Toadflax	<i>Linaria vulgaris</i>