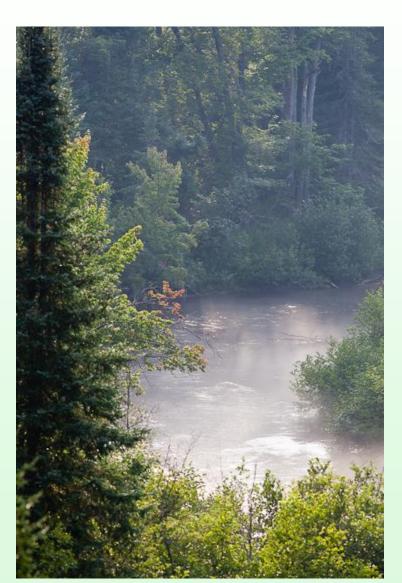




The Nature Conservancy

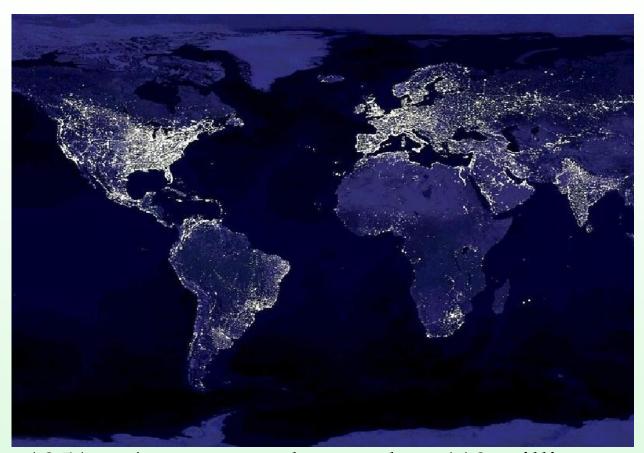


The mission of The Nature Conservancy is to preserve the plants, animals, and natural communities that represent the diversity of life on Earth by protecting the lands and waters they need to survive.





The Nature Conservancy Works in over 30 Countries



Since 1951 we've protected more than 119 million acres of land and 5,000 miles of rivers worldwide — and we operate more than 100 marine conservation projects globally.



Great Lakes Staff

45 employees in Great Lakes – Michigan Office Offices in:

Lansing
Grand Rapids
Gaylord
Marquette
Chicago

We are a 501c3 non-profit supported primarily by member donations and grants – we are not federally funded (except for grants).

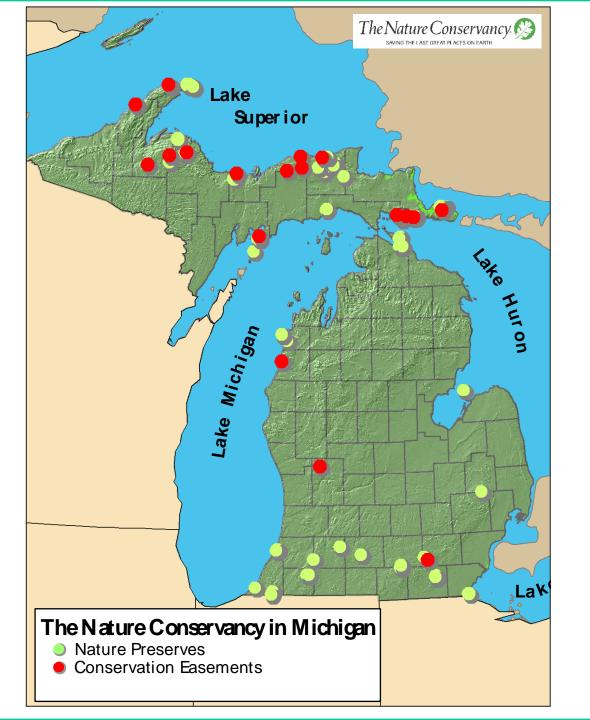




Protecting nature, for people today and future generations.

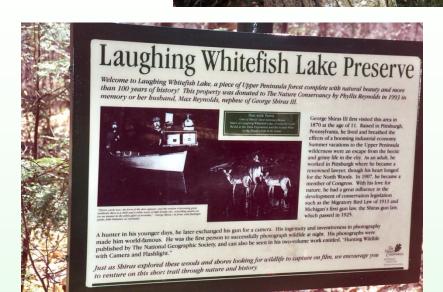


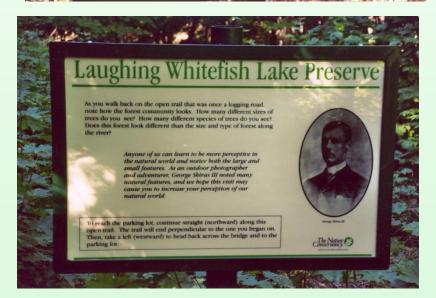






Laughing Whitefish Preserve











Tool Box of Conservation

Buy or donated land that we keep as Preserves.

Own CFA land that we manage for timber. = RESERVE

Assist State and Federal Agencies in acquiring land.

Assist Townships/Cities in acquiring land.



Conservation Easement

A conservation easement is a voluntary legally binding agreement between a landowner and a qualified land trust or government entity that permanently limits uses of the land in order to protect ecological, historic, or scenic resources. A conservation easement allows a landowner to retain ownership while restricting some of those rights in order to protect the property's conservation values.









Northern Great Lakes Forest Project THE BASICS

- Purchase and Sale Agreement includes 271,124 acres across 7 counties:
 - 247,806 acres working conservation easement
 - Land owned and managed by The Forestland Group, LLC
 - Easement acquired by The Nature Conservancy and transferred to the State of Michigan
 - 23,318 acres of fee land
 - Land owned and managed by The Nature Conservancy
- Land remains on local tax rolls.
- Restricted for future development and use under a permanent, binding conservation easement.
- Allows sustainable forestry to continue while permanently protecting the biological integrity of the land and water.
- Guaranteeing public access and timber access for this generation and generations to come.



State of Michigan-



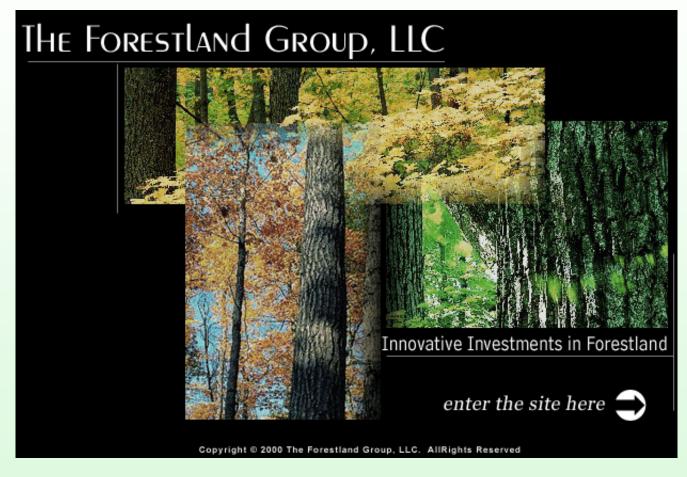




Two Governors played critical roles



The Forestland Group



The Forestland Group, LLC (TFG) acquires and manages timberland investments for institutions, families, and individuals.

The firm currently manages approximately 3.4 million acres in 20 states.



Funding (\$58 million project)

\$15 - 26 million Public funding - no direct cost to Michigan

- Michigan Natural Resources Trust Fund
 - \$10 million (acquire Easements 1, 2); \$ 5 million appropriated for Easements 4 and 5; expected additional appropriation of \$1 million
- USDA Forest Legacy Program
 - \$1.9 million pending for Easement 4; additional \$ expected for Easements 5 and 6

\$32 – 43 million Private funding

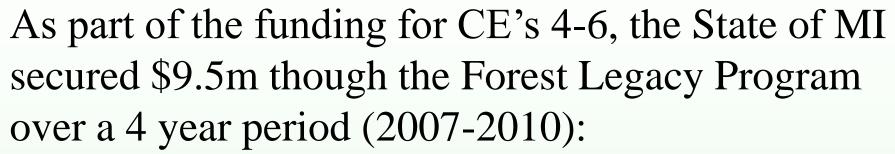
Generous contributors to date

- -Charles Stewart Mott Foundation
- -W. K. Kellogg foundation
- -Kresge Foundation
- -Herbert H. & Grace A. Dow Foundation
- -Harry A. & Margaret D. Towsley Foundation
- -Carls Foundation
- -Frey Foundation
- -Wege Foundation

- Rollin M. Gerstacker Foundation
- Estate of Isotta Cesari
- Estate of W. Powell Cottrille
- Seevers Family Foundation



Forest Legacy



- •\$2m in 07,
- •\$3.5 in 08,
- •\$2m in each of years 09 and 10.
- These funds were matched by Trust Fund in the amount of \$6.1m
- TNC kicked in land match value (CE3) of \$7.5m.





Funds secured thru the Forest Legacy helped secure the CE on 151,900 acres out of the 248,800 total acres eased.

SUMMARY:

Michigan DNR, Trust Fund \$ (over 5 years): \$16,100,000

USFS Forest Legacy (over 4 years): \$9,500,000

Private Sector (Foundations, individual donors): \$13,000,000

*Excludes acquisition of 23,500 acres of fee land (\$13,000,000) in the Two Hearted River Watershed, paid for by private sector donation.



What does this mean for the Upper Peninsula?

- The Northern Great Lakes Forest project is the biggest conservation project in Michigan history for both the State and The Nature Conservancy.
- Helps protect thousands of timber and tourism jobs.
- Keeps private lands on the tax rolls.
- Improves and permanently protects public access to the lands and waters.
- Links more than 2.5 million acres of protected public and private areas into a contiguous landscape of woods and waters.



Important Buffer:

The project creates a buffer to state and national lands including:

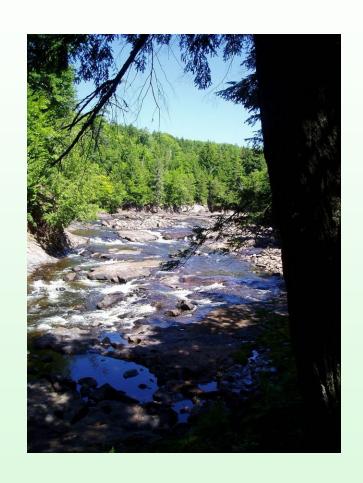
- 20,000 acres to Pictured Rocks National Lakeshore
- 10,000 acres to Tahquamenon Falls State Park
- 10,000 acres to Porcupine Mountains Wilderness State park
- 50,000 acres of watershed protection and buffer to Seney National Wildlife Refuge
- 30,000 acres to Hiawatha National Forest
- 27,000 acres to Ottawa National Forests and
- 100,000 acres to State Forest lands.



How many lakes and rivers are protected in the deal?

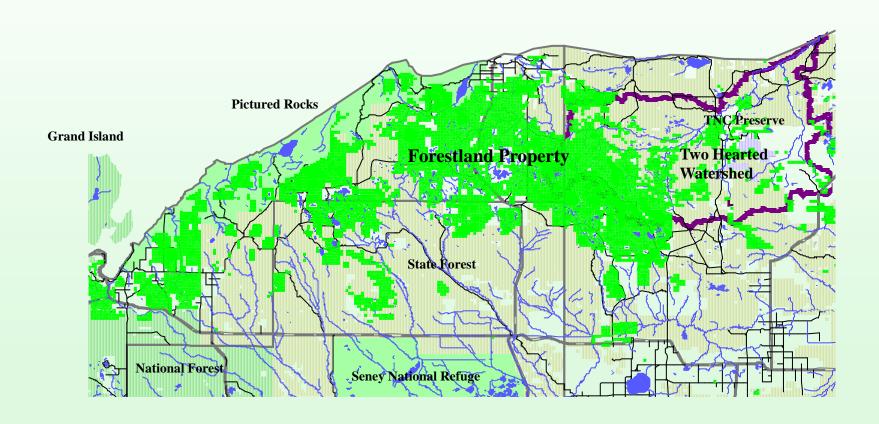
More than 70 primary lakes (greater than 10 acres) and 230 secondary lakes and ponds are protected by the Big Deal.

The project also protects 192 miles of Class I trout streams, including the Big Two Hearted River (designated a Michigan Natural River) and the Presque Isle River (designated a National Scenic River), as well as 160 miles of additional riparian habitat along major rivers and tributaries (roughly 516 miles total).



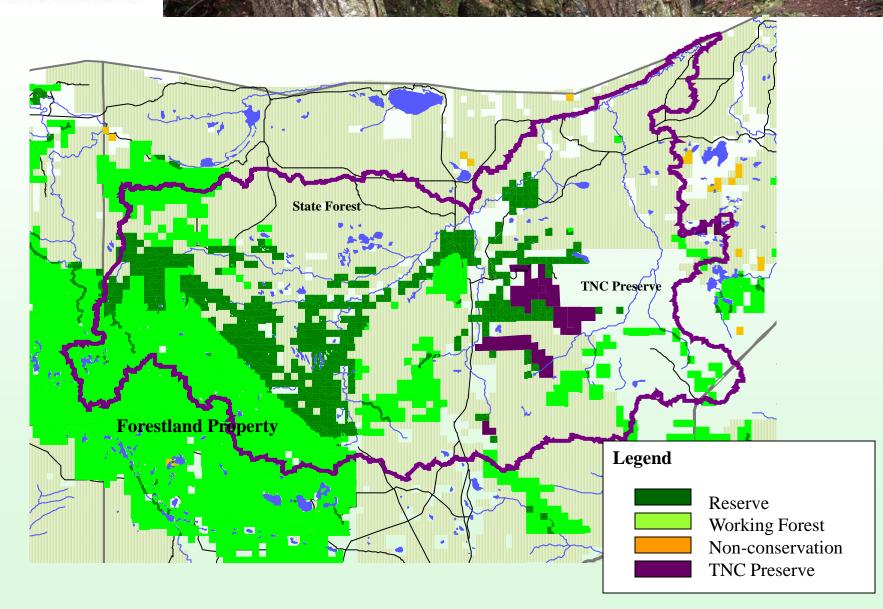


Grand Island to Two Hearted River Central Section of Property





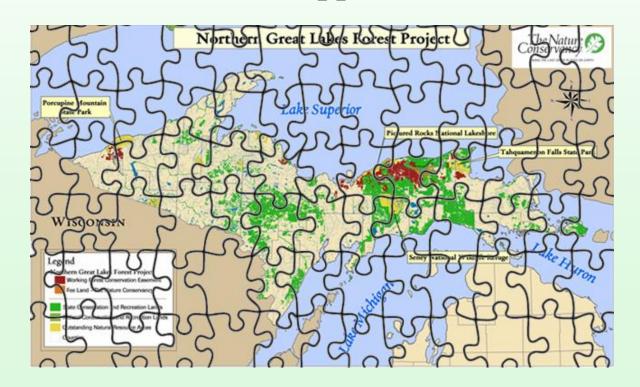
Two Hearted River Watershed





Filling in the Pieces

Altogether, these lands fill in the missing pieces of a conservation puzzle by connecting more than 2.5 million acres of state and federally protected forest and natural areas across the Upper Peninsula.





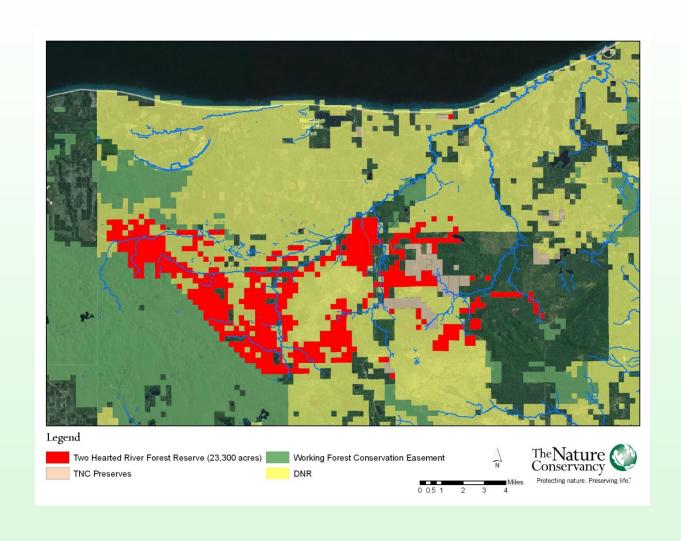




- The project land produces 10% of the timber harvested annually in the UP and 5% statewide.
- According to an economic impact assessment commissioned by The Nature Conservancy and conducted by Public Sector Consultants, the 271,000 acres covered by the agreement account for \$200 million of associated economic activity each year and support 3,000 total jobs.



Our Ownership





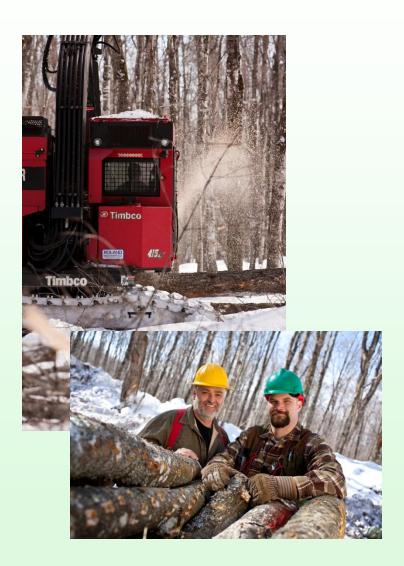
TNC Manages 23,000 acres

We are FSC - The TNC certified group (7 states) now contains seven members and 268,699 acres.





Business Stability

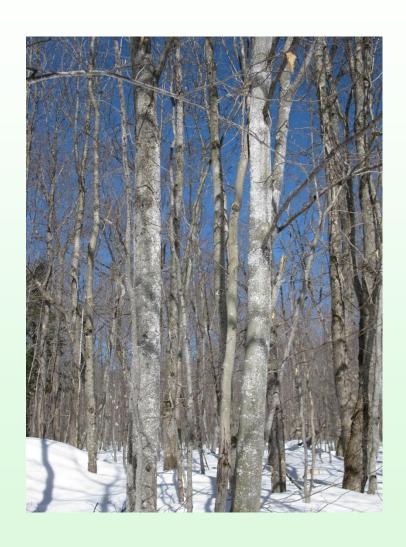








Unforeseen things







Timber Products at Big-Party





Contact: Nature Conservancy 906-225-0399

