

NEVADA CONSERVATION CREDIT SYSTEM

MANAGEMENT PLAN FORM SECTION A

The purpose of this management plan is to ensure the Credit Project and its habitat values to sage-grouse are maintained or improved through implementation of management commitments and confirmed through monitoring and reporting activities. This management plan is a binding and enforceable instrument, implemented by the Participant Contract covering the Credit Project property. The Credit Project Proponent and Credit System Administrator signatures on this page of this management plan indicate mutual agreement to its contents.

This section of the management plan describes a summary of the project, the table of contents, and a list of attachments included for the project.

I. PROJECT INFORMATION

| | | | | | |
|---|-----------------------------|---|--------------|-------------------------------|------------|
| Project Name | Thank My Lucky Steers Ranch | | | | |
| County(s) | Elko | State | Nevada | | |
| WAFWA Management Zone(s) | MZ IV | Biological Significant Unit(s) | Central Elko | NDOW Population Mgmt. Unit(s) | North Fork |
| Project Type (check all that apply) | | | | | |
| <input checked="" type="checkbox"/> Stewardship and Enhancement | | <input checked="" type="checkbox"/> Restoration | | | |
| Project Acreage | 5,345.6 acres | | | | |

1.1 SIGNATURES

The information included in this form and all attachments is accurate. I understand all credit unit calculations and required management activities are subject to verification according to Nevada Conservation Credit System protocols. I understand that management described herein will be conducted for the duration of the project and according to the commitments found in 4.1 to maintain or improve habitat conditions in the Project Area.

Credit Project Proponent Signature

Date

Credit System Administrator Signature

Date

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1.2 LIST OF ATTACHMENTS

List any attachments to this management plan here. If submitting electronically, each attachment should be submitted as a separate file, not appended to the body of this document. Include file names below.

| ATTACHMENT | DESCRIPTION, PAGE NUMBER, OR FILE NAME |
|---|---|
| Attachment A: Maps of the Project Area, Anthropogenic Disturbances in and around the Project Area, Map Units, Treatment Areas and Management Commitments (as relevant), Participating Property and surrounding area. Include driving direction map to the Project Area. Please provide a map indicating the locations and names the landowner uses for specific pastures, meadows, seeps, springs, creeks, etc. (that will provide additional context to the project area). | TMLS_Map.pdf TMLS_CommonNamesMap.pdf |
| Attachment B: Property Title Policy, Owner's Policy, or Long-term Lease | TMLS_Owners_Policy.pdf |
| Attachment C: Surface & Mineral Rights Documentation | TMLS_Surface_Mineral_Rights.pdf |
| Attachment D: Water Rights Documentation | TMLS_Water_Rights_Documentation.pdf |
| Attachment E: Property Restrictions (e.g., rights-of-way) | NA |
| Attachment F: Conservation Program or Easement Documentation (if applicable) | TMLS_Easement.pdf |
| Attachment G: Grazing Management Plan for the project area if grazing livestock within the project area | TMLS_Grazing_Plan.pdf |
| Attachment H: Proper Functioning Condition Assessment Checklist for Each Riparian/Wetland Area | TMLS_PFC_Datasheets_20200625.pdf |
| Attachment I: Final HQT Calculator | TMLS_Calculator_v1_8_20200625 |
| Attachment J: Other Important Documents (Any descriptions requested in 2.2 and 2.3 may be attached and listed here, as well as additional details for plans listed in 4.1) | Thank My Lucky Steers Ranch Restoration Plan TMLS_Restoration_Plan.pdf |

| CREDIT PROJECT PROPONENT | | TECHNICAL SERVICE PROVIDER (IF APPLICABLE) | |
|---|--|---|--|
| Business Name Lucky Steers LLC. | | Business Name Counting Sheep Consulting | |
| Credit Project Proponent Name (First and Last) Tom Stein | | Technical Service Provider (First, Last & Title) Rupert Van Winkle | |
| Mailing Address PO Box 000; Elko, NV 89803 | | Mailing Address PO Box 001; Elko, NV 89803 | |
| Telephone (specify home, work or cellular). 775.555.6789 | | Telephone (specify home, work or cellular). 775.555.1234 | |
| Email Tom@luckysteers.com | | Email Rvanwinkle@countingsheep.com | |
| PROPERTY OWNER | | LAND MANAGER | |
| <input checked="" type="checkbox"/> CHECK IF SAME AS CREDIT PROJECT PROPONENT | | <input checked="" type="checkbox"/> CHECK IF SAME AS CREDIT PROJECT PROPONENT | |
| Primary Contact Name (First and Last) | | Primary Contact Name (First and Last) | |
| Mailing Address | | Mailing Address | |
| Telephone (specify home, work or cellular). | | Telephone (specify home, work or cellular). | |
| Email | | Email | |
| CREDIT SYSTEM ADMINISTRATOR CONTACT INFORMATION | | | |
| Credit System Administrator Contact | | Sagebrush Ecosystem Technical Team | |
| Mailing Address | | 201 S Roop Street, Suite 101 Carson City, Nevada 89701 | |
| Telephone | | (775) 684-8600 | |
| Email | | kmcgowan@sagebrusheco.nv.gov | |
| Notices | Any notices regarding this Management Plan shall be directed to the Credit Project Proponent, Property Owner, Land Manager, and Credit System Administrator at the contact information listed above. Contact information provided on this form must be kept up to date within sixty (60) days of a change for any party by submitting in writing updated contact information to the Credit System Administrator. | | |

II. LAND OWNERSHIP, CURRENT MANAGEMENT & LOCAL RESOURCES

The purpose of this section is to provide information on the ownership and control of the Project Area, and the details of the current management efforts. Local natural, biological, and cultural resources relevant to the Project Area are requested.

2.1 LAND OWNERSHIP & CONTROL

Clearly identify the Project Area, and disclose important facts and details related to property rights and previous conservation funds received here. The Project Area contains the land enrolled in the Credit System, and is covered by this management plan and the Participant Contract.

| | |
|---|--|
| Project Area Location, Boundary & Acreage | The Lucky Steers project is located in Elko County, 32 miles NNW of the city of Elko. It is in T35N R35E, Sections 3, 9, 10, 17, 19, 20, 22, 23, and 27. T36N R35E, Sections 3, 5, 6, 7, 9, 21, 23, 24, 27, and 28. In total the project area is 5,345.6 acres. See Attachment A for project area boundaries and individual acreage by map unit. |
| Certification of Control | Lucky Steers LLC owns the entire project area enrolled in the Conservation Credit System. Proof of title, mineral, and water rights are provided in Attachment B with footnotes of what is relevant to the project area and a map to assist with gaining a quick understanding |
| Leased or Severed Property Rights | No leased or severed property rights exist in the project area. |
| Existing Easements, Land Use Restrictions or Designations | The entirety of the project area is held in a conservation easement that limits development. Documentation of this easement can be found in Attachment C. |
| Conservation Programs & 3rd Party Funded Conservation Practices | No conservation programs are active in the project area. |

2.2 PROJECT AREA & CURRENT MANAGEMENT

Describe the geographic setting, historical uses, current uses, and other important background information for the Project Area.

| | |
|-------------------------------------|---|
| Current Land Uses | The project area is used for grazing by Lucky Steer LLC's commercial cow/calf herd. Haying is completed annually in the northern map unit. |
| Current Management Practices | The entire project area is part of a deferred grazing rotation incorporating an adaptive management strategy recently developed in coordination with UNCE and the local conservation district. Since this strategy was developed, ranch managers have noted increased wildlife and a more robust native perennial grass community. Grazing management is described in Attachment D. An irrigated hay field is located in the northern-most map unit (MU 4) and is included within the grazing plan in Attachment D. |
| Current Fencing and | Currently, the project area contains six fenced rotational pastures (figures 1-7 in attachment D). Watering infrastructure is present in each pasture, indicated in attachment D. Most infrastructure is spaced away from meadows with water provided to these areas with underground piping, also indicated |

| Watering Infrastructure | <p>in attachment D. A groundwater well with solar pumps are installed in MU 4 and irrigation infrastructure in the form of ditches run from Lost Hope Creek to the hay meadow.</p> <p>To further manage livestock grazing, the ranch plans to install wildlife friendly fencing around riparian areas to better manage riparian use.</p> | | | | | | | | | | | | | | | |
|---|--|--|-------------------------------|---|------------|---|-------------------------|---|---|-------------------------------|---|--------------------------|---|--|------------------------------|----|
| Recent Past Land Uses | <p>The project area has recently been acquired. The previous land use was leased to multiple grazing lessees who operated season long cattle grazing.</p> | | | | | | | | | | | | | | | |
| Anticipated Land Uses | <p>The ranch plans to maintain management of the project area in the future in order to maintain an economically viable ranching operation. The ranch plans to participate in rancher-led collaboration opportunities that demonstrate the value of holistic management processes and planned grazing. The ranch will maintain all water and mineral rights and deeded lands in its possession.</p> | | | | | | | | | | | | | | | |
| Adjacent Land Uses | <p>Land uses adjacent to the ranch are cattle grazing by neighboring operators to the north and east and USFS land to the south and west. A small mining operation is located approximately 5.5 km to the west of the project area (attachment A).</p> | | | | | | | | | | | | | | | |
| Water Rights/Subsurface rights | <p>A complete listing of the ranch's water rights, and subsurface rights can be found in Attachment B. Water rights will be maintained by the ranch for similar use as the recent past (e.g. stockwater and flood irrigation).</p> | | | | | | | | | | | | | | | |
| Current Irrigation Practices | <p>The northern map units have intermittent stream flow from Lost Hope Creek, the amount of such varying depending on winter precipitation. The north hay meadow area is watered by irrigation in the spring and summer. A well with a solar pump has been installed for use when needed.</p> <p>Five springs are scattered throughout the rest of the project area, with pipelines diverting water to stock tanks.</p> | | | | | | | | | | | | | | | |
| Proper Functioning Condition Assessment | <p>Proper Functioning Condition (PFC) assessments were conducted in June of 2020. Field observations are summarized by Table 1 below. Field observations and locations of assessment locations can be reviewed in Attachment E.</p> <p>Table 1. PFC Summary (Data recorded June 2020)</p> <table><tr><th>Stream Reach Name</th><th>Map Unit</th><th>Reach Potential</th><th>PFC Rating</th><th>Summary of Reasons for Rating, Including Major Concerns</th></tr><tr><td>Lost Hope Creek (Lotic)</td><td>1</td><td>Meandering canyon stream, relatively flat with a small narrow floodplain. Sparse woody potential, with stabilizing plants lining the floodplain and point bars.</td><td>Functional at Risk – Downward</td><td>Active headcut on reach; Lack of stabilizing plants along most of the reach</td></tr><tr><td>New Hope Spring (Lentic)</td><td>3</td><td>Mesic stringer meadow on hillside. Diverse mesic forb communities possible with small amounts of sedge/rush (CANE2, JUAR2) communities in wetter areas and common species in drier portions of meadow area. No woody potential</td><td>Proper Functioning Condition</td><td>NA</td></tr></table> | Stream Reach Name | Map Unit | Reach Potential | PFC Rating | Summary of Reasons for Rating, Including Major Concerns | Lost Hope Creek (Lotic) | 1 | Meandering canyon stream, relatively flat with a small narrow floodplain. Sparse woody potential, with stabilizing plants lining the floodplain and point bars. | Functional at Risk – Downward | Active headcut on reach; Lack of stabilizing plants along most of the reach | New Hope Spring (Lentic) | 3 | Mesic stringer meadow on hillside. Diverse mesic forb communities possible with small amounts of sedge/rush (CANE2, JUAR2) communities in wetter areas and common species in drier portions of meadow area. No woody potential | Proper Functioning Condition | NA |
| Stream Reach Name | Map Unit | Reach Potential | PFC Rating | Summary of Reasons for Rating, Including Major Concerns | | | | | | | | | | | | |
| Lost Hope Creek (Lotic) | 1 | Meandering canyon stream, relatively flat with a small narrow floodplain. Sparse woody potential, with stabilizing plants lining the floodplain and point bars. | Functional at Risk – Downward | Active headcut on reach; Lack of stabilizing plants along most of the reach | | | | | | | | | | | | |
| New Hope Spring (Lentic) | 3 | Mesic stringer meadow on hillside. Diverse mesic forb communities possible with small amounts of sedge/rush (CANE2, JUAR2) communities in wetter areas and common species in drier portions of meadow area. No woody potential | Proper Functioning Condition | NA | | | | | | | | | | | | |

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|---------------------------|----|---|-------------------------------|--|
| Lazy Cow Spring (Lentic) | 7 | Hillside meadow. Great willow potential and stabilizing forbs surrounding. | Proper Functioning Condition | NA |
| Fat Horse Spring (Lentic) | 10 | Wet round meadow, no defined channel with no woody potential and riparian grasses and forbs. | Functional at Risk - Downward | Hoof action and lack of stabilizing plants around most of the meadow. Start of a channel due to hoof action. Whitetop along surrounding. |
| Wild Man Pond (Lentic) | 16 | Hillside seep with a slight trickle of water due to gravity, but the abundance of plants capturing and spreading the water. | Proper Functioning Condition | NA |
| Lost Soul Spring (Lentic) | 21 | Undisturbed meadow with a high abundance and diversity of riparian plants. Soil spongy, not channelized. | Proper Functioning Condition | NA |

All assessed riparian areas were functioning at Proper Functioning Condition except for Lost Hope Creek and Fat Horse Spring, which are Functional at Risk. The rating for Lost Hope Creek is due to an active headcut, with about a two-foot, bare soil drop a quarter mile from the start of the reach and the lack of stabilizing plants along the shorelines in most areas. There are annuals coming in, but no perennials were observed. Fat Horse Spring has been rated low due to increased hoof action and no stabilizing plants. The areas surrounding the spongy, wet areas are mostly stubble, noxious whitetop, and bare ground, with a 10-foot channel beginning around the hoof action. New management actions to remedy the observed issues are outlined in Section 4.

Riparian and Meadow Management, Issues, and Recent Actions

The project area's water supply is dependent on winter precipitation and spring runoff from the adjacent mountains. High flow events stress and occasionally incise channels. The headcut in Lost Hope Creek is about 6 feet deep and armoring has been attempted to stop the headcut, but spring runoff eroded around the armor. All riparian areas are unfenced. Troughs are located off site in order to keep livestock out of the riparian areas.

Noxious Weeds & Annual Invasives Management

Throughout the project area, noxious and invasive weeds are spot treated by the ranch with herbicide and targeted grazing when feasible and appropriate. Primary species of concern are white top (map units 6, 8, and 10) and medusahead (map units 11).

With implementation of this project, GPS mapping will be done during each year during the annual monitoring process for each species. An annual control program will be implemented as follows.

Whitetop (map unit 6,8,10):

Mow at flower bud stage by the landowner, then follow up with Milestone treatment by the landowner after regrowth. All spray treatments will use a surfactant. Mowing will not be performed unless it is certain spraying will occur. Success/failure will be noted in the annual monitoring, and a decreasing infestation will be mapped. If treatments are unsuccessful, a new plan may be developed in consultation with the SETT.

Medusahead (map unit 11):

Grazing medusahead is ineffective, and due to the invasive nature of this weed a long term IPM plan focusing on disrupting seed production has been developed with NDA/SETT, weed spraying professionals, and the local conservation district. Because the infestation is not yet dense enough to

| | |
|--------------------------|--|
| | <p>have produced thick thatch layers, prescribed burning will not be considered, unless thatch layers increase and inhibit herbicide application.</p> <ol style="list-style-type: none"> 1. High intensity grazing will be implemented through the fall of year one to reduce residual biomass and to reduce “wolfy” perennial grass. When livestock are removed, preemergent herbicide (plateau) will be applied at a rate of 3 oz/acre to reduce germination. 2. Two Herbicide applications of aminopyralid (Milestone) will be applied in year 2. The first application of 10 oz /acre will be made during the tillering stage (spring) to limit seed production, and the second application will be done at 7 oz/acre in the winter post-emergence. The pasture will be rested in year two. 3. Year 3 will be grazed as normal with timing determined by the adaptive management process identified in Appendix D, and no herbicides will be applied in year three. 4. This treatment regime will begin again in year 4 as needed until the infestation is eradicated. If thatch layers are achieved that hinder the application of herbicide, prescribed burns will be considered if possible, or mowing & raking may be implemented. All equipment will be thoroughly cleaned with pressure washers before leaving the site. After control of medusahead has been demonstrated, broadcast seeding of perennial grasses will be considered. <p>Annual Invasive Management:</p> <p>Cheatgrass (<i>Bromus tectorum</i>) is located in map units 11, 12, and 15 in densities approaching or exceeding 20%. An effort will be made to reduce fine fuel loads and prevent wildfire on the project area through converting pastures in map units 12 and 15 to dormant season grazing and reducing standing dead litter. Increasing supplementation rates will be necessary. Uplift calculations indicate reducing % cover from 20% to 10% in these maps units will result in 150 additional credits. Dormant season grazing will be followed with broadcast applications of non-native perennial grasses in consultation with the SETT.</p> |
| Fuels Management | <p>Targeted grazing is used to maintain cheatgrass throughout the project area. See above paragraph for more information. Woody litter buildup is managed on an as-needed basis using the least invasive method possible for the location. See below under Pinyon-Juniper Removal for how these fuels will be managed.</p> |
| Pinyon-Juniper Removal | <p>In map units 18, 19, 20, 22, 24, 25, 27, and 28, predominantly phase 1 PJ has encroached upon sagebrush dominated rangeland ecological sites. Per the Conservation Credit System, all pinyon and juniper trees (dead and alive) in enrolled areas will be felled to six inch stumps, with logs bucked to no longer than four feet, lopped to sizes 3 feet and under, and scattered around to the greatest extent practical. If continuous or heavy fuels exist in an area, burn piles or hauling out fuels will be considered. Trees on hills will be fallen adjacent to the slope to reduce erosion risk and easily accessible trunks will be used in the Lost Hope Spring to control the gradient of the stream around the headcut.</p> <p>In treated areas maintenance activities will be required to eliminate sapling trees. Hand lopping will likely occur every 5-10 years or as needed.</p> |
| Waste Management | <p>All household trash is hauled off the ranch to the local landfill. All animal carcasses found in the project area are buried onsite to reduce predator concentrations. A temporary dump site is located behind the homestead but is tightly covered in tarps and weighed down to prevent attracting predators.</p> |
| Predator Control Efforts | <p>Throughout the project area the ranch has an agreement with the U.S. Department of Agriculture (USDA) Wildlife Services to reduce raven populations in efforts to curtail sage-grouse egg predation.</p> |
| Wildfire Strategy | <p>The ranch has a water truck (approximately 2,000 gal.) and various brush clearing equipment (skid steer, backhoe, brush hog). The ranch can also be easily accessed by outside resources via the main road.</p> <p>Invasive annual grasses are particularly heavy along the southern edge of the property outside the credit project area. A 50 ft wide fuel break will be established along the property boundary each spring through mowing (and grazing where convenient and practical) as has long been practiced on the ranch.</p> |

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| | <p>Coordination with the BLM for PJ treatments and possible fuel breaks on adjacent public land has resulted in several additional fuel breaks in the area.</p> <p>The landowners also participate in the rancher liaison program facilitated by the Nevada Cattleman's Association.</p> <p>Should any of the property burn we have every intent of staying and aiming restore it.</p> |
| Program Participation | The ranch is participating in no other programs at this time. |

2.3 LOCAL RESOURCES

Describe the resources on and near the Project Area.

| | | | | | |
|---|--|-----------|---------------------------------|--|---|
| Greater Sage-Grouse & Greater Sage-Grouse Habitat | <p>The project area sits within primarily PHMA, but map units on the west side are GHMA. All three types of seasonal sage-grouse habitats exist in the project area. Winter habitat is the most plentiful, followed by late brood rearing and breeding habitat. Sage-grouse use is observed throughout the ranch year-round. Meadow systems seem to be used most constantly from year to year, especially in the spring and summer.</p> <p>Through the various management activities proposed in Section 4, sage-grouse habitat is expected to improve and generate credit uplift.</p> | | | | |
| Sensitive Resources | <p>The Lahontan Cutthroat Trout (<i>Oncorhynchus clarkii henshawi</i>), a USFWS Endangered species, is known to occur in Wild Man Pond. There are plans to fence the pond to allow greater control over the riparian areas.</p> | | | | |
| Other Wildlife | <p>The ranch is occupied by elk, mule deer, mountain lions, coyotes, bobcats, game birds, and pronghorn antelope in varying densities year-round. Critical Mule deer habitat is located to the north of the ranch. The ranch allows reasonable access to hunters throughout specified seasons. Otherwise, the ranch strives to maintain wildlife habitat for all of the aforementioned animals.</p> | | | | |
| Ecological Sites within the Project Area | <p>The project area encompasses a diverse range of landforms, soils, and vegetative communities, each of which contribute to unique Ecological Site Descriptions (ESDs). ESD mapping can be reviewed in Attachment A. Predominant ESDs and their current associated plant communities are described on the next pages along with each ESD's reference plant community.</p> | | | | |
| | MU Name | Transects | Predominate ESD | Current Plant Community/ State | Climax Plant Community |
| | 1 | 1-5 | Wet Meadow (Not Mapped as Such) | Lost Hope Creek is a perennial stream that runs water year-round and is functioning as lotic stream meadow with colonizing perennial wetland vegetation. | Dominated by stabilizing perennial wetland vegetation |
| | 2 | 6-10 | Saline Bottom | Current Potential State (2.1), dominated by basin wildrye | Dominated by greasewood, basin wildrye and alkali sacaton |
| | 3 | 10-12 | Wet Meadow (Not Mapped as Such) | New Hope Spring is a natural seep that is moist year-round and is functioning as lentic meadow with stabilizing perennial wetland vegetation. | Dominated by stabilizing perennial wetland vegetation |

| | | | | | |
|--|-------------|-------|-------------------|---|---|
| | 4 | 13-20 | Loamy Fan 8-10 PZ | In mowed areas of the hay field, grasses and forbs have released (2.2). In un-mowed swaths sagebrush dominates with an almost nonexistent understory (3.1). | Dominated by winterfat, basin wildrye, and Indian ricegrass |
| | 5 | 21-26 | Claypan 12-16" PZ | Current Potential State (2.1), dominated by basin wildrye | Dominated by greasewood, basin wildrye and alkali sacaton |
| | 6 | 27-30 | Loamy 10-12 PZ | Current Potential State (2.3). Shrubs dominate the overstory with patchy perennial grasses in the understory | Dominated by Wyoming Sagebrush, needle and thread, and bluebunch wheatgrass |
| | ...Continue | | | | |

III. CREDIT PROJECT OVERVIEW, RESERVE ACCOUNT & CREDIT RELEASE SCHEDULE

This section summarizes the amount of initial credits expected to be made available for sale to maintain the current habitat conditions for at least a 30 year term. The projected uplift credits and the reserve account contributions are given in this section. The anticipated credit release schedule is also included based on the plans for uplift actions.

3.1 CONSERVATION GOALS

Provide an overview of the purpose, goals, and objectives of the Credit Project. Summarize the current management actions being implemented that are to be continued for the term of the project, those management actions to be improved upon, and the enhancement and restoration actions planned for the project. A more detailed account of management actions will be provided in Section IV. *Management & Monitoring*.

| | |
|---------------------------------|---|
| Purpose of the Project | The Thank My Lucky Steers Ranch is participating in the Conservation Credit System to conserve and improve sage-grouse and other wildlife habitat while also bettering the ranch as a commercial cattle operation. |
| Conservation Goals & Objectives | <p>The ranch intends to maintain or improve ecological conditions throughout the project area to provide mitigation to outside projects elsewhere in Nevada located in sage-grouse habitat. Initial credit verification will be used as a baseline to determine if management has been successful as this management plan is implemented, but commitments include the following objectives:</p> <ol style="list-style-type: none"> 1. <i>Improve at risk riparian areas.</i> Metrics to be evaluated include improved bank stability, more stabilizing plants, less intense grazing pressure during the growing season, and improved water quality. This objective will be achieved by establishing riparian area fencing in the spring of 2021 allowing the control of hot season use by livestock. Establishing grade control structures in the spring of 2021 will also control further erosion and allow for streambed stabilization and improved water quality. 2. <i>Increase native perennial grass cover across pastures</i> (see attachment D). This objective is described in the grazing plan (attachment D), but includes distributing cattle more efficiently, applying an adaptive management strategy, and the Grazing Response Index. The noxious weed strategy, if successful, will result in improved perennial grass in map units 6,8,10,11,12, and 15. 3. <i>Protect existing habitat from wildfire.</i> This objective will be accomplished by an annual reduction in invasive fine fuels through an emphasis on dormant season grazing annual grass heavy map units (see attachment D). Invasive fine fuels risk will be assessed each year through the annual monitoring process. 4. <i>Increase soil health and productivity.</i> This objective will be accomplished by no-till seeding a diverse forb and grass cover crop in the irrigated pasture in 2022. Success of this objective will be noted in the annual monitoring report. 5. <i>Maintain an economically viable ranching operation.</i> The objective will be accomplished as a result of the management practices implemented and assessed by the landowner every 2-3 years. Improved condition of riparian pastures increased perennial grasses, less wildfire risk, and increased soil health in irrigated pastures will serve to increase the carrying capacity, long term viability of cattle production, and even the value of the land. The landowner will attempt to record the benefits these practices provide and share if comfortable. |
| Summary of Management Actions | The ranch will remain a viable cattle operation throughout the duration of the conservation credit project. All activities necessary for everyday ranching operations will continue such as maintaining fencing and water infrastructure. Additional management actions will include noxious weeds treatment, invasive annual grass treatment, and riparian and upland restoration. Any activity with the possibility to modify sage-grouse habitat will be done in a fashion that avoids or minimally impacts sage-grouse habitat. Improvements listed |

3.2 AVAILABLE AND PROJECTED CREDIT SUMMARY

From the approved final Habitat Quantification Tool (HQT) calculator (Attachment F), provide the Administrator with the current sellable credits for the project, the additional projected sellable credits, and the HQT Version. Sellable credits describe the total current or projected credits generated minus the reserve account contribution.

| CURRENT SELLABLE CREDITS | ADDITIONAL PROJECTED SELLABLE CREDITS (IF APPLICABLE) | HQT VERSION |
|--------------------------|---|-------------|
| 735 | 58 (PJ) 187 (Uplift) | 1.6 |

After confirmation from the Administrator through a quality assurance process on the final HQT calculator and its results, the current sellable credits listed above are the final estimates and will not change following the signing of this management plan. Projected sellable credit estimates are estimates only and may change depending on management activity results measured using the HQT. All subsequent HQT verifications (Field and GIS Desktop analyses) are subject to using the HQT version identified above and will determine amount of additional credits.

3.3 RESERVE ACCOUNT CONTRIBUTION

The required reserve account contribution is described in the Credit System Manual Section 2.4.3 *Reserve Account Contribution*. The reserve account summary below is meant to show the reserve account contributions and how they are derived. Fill in the table below, or copy and paste the summary table shown below from the calculator spreadsheet. The total reserve account contribution percent will remain unchanged for all additional credits earned over the lifetime of the project.

| RESERVE ACCOUNT SUMMARY | |
|---|--------------|
| Standard Contribution Percent (%) | 4.00% |
| Probability of Adverse Impacts from Wildfire Percent (%) | 2.90% |
| Competing Land Use Reserve Account Contribution Percent (%) | 2.96% |
| Total Contribution Percent (%) | 9.86% |

3.4 CREDIT RELEASE SCHEDULE

The credit release schedule describes a timeline of conservation actions and HQT scores that lead to timed credit releases. No more than one-third of the total anticipated credits may be released prior to achieving an HQT goal. When credits are appropriate upfront due to a reasonable likelihood of uplift success, the effort should be detailed in section 4.1. Subsequent credit releases will be contingent on achieving HQT habitat function scores. For enhancement and restoration situations that are funded prior to any credit release; verification of uplift and determination of the corresponding credit releases can happen at any point. See the Credit System Manual, Section 2.4.4 *Credit Release* for more information.

Examples are provided below (*italics*).

| RELEASE | ESTIMATED SELLABLE CREDITS | ANTICIPATED RELEASE DATE | ACTIONS OR IMPROVEMENTS FOR THE PROJECT OR MAP UNIT NECESSARY TO REALIZE ESTIMATED CREDIT RELEASE | FINAL SELLABLE CREDITS | CONFIRMED RELEASE DATE |
|--|----------------------------|------------------------------|--|------------------------|------------------------------|
| Initial Credit Release | 735 | Upon signature of this plan. | Management commitments and actions to maintain current conditions for the entire project. | 735 | Upon signature of this plan. |
| PJ Credit Release | 58 | Upon removal of PJ | Management commitments and actions to maintain current conditions for the entire project. | 793 | Upon removal of PJ |
| Uplift Portion of Initial Credit Release | 63 (1/3) | Upon signature of this plan. | Uplift verification would need to be planned based on implementation schedule. The estimated release would be available if restoration actions are measurably successful. | 856 | Upon signature of this plan. |
| Uplift Release 2 | 124 | 2025 | Uplift verification would need to be planned based on implementation schedule. This release would be available in MUs 1,10, 11, and 12 as estimated if: MUs 1 and 10: Perennial grass cover is increased by 10%, forb canopy cover is increased by 5%, and forb species richness is increased by 2 in each map unit MU 11 and 12: Shrub canopy cover is maintained, perennial grass cover is increased by 10%, forb canopy cover is increased by 5%, forb species richness is increased by 2, and annual grass cover is decreased by 15% in each map unit. | 980 | Upon Uplift verification |

IV. MANAGEMENT & MONITORING

The goal of management in the CCS is to maintain or improve the habitat attributes of the credit project to benefit sage-grouse. The purpose of this section is to document the management, monitoring, and reporting activities necessary to ensure ongoing habitat quality.

The Nevada Greater Sage-grouse Conservation Plan (Plan) identifies issues potentially affecting sage-grouse populations in Nevada. Please review the Plan and discuss how potential issues (e.g., predation, fire and fuels, wild horses and burros, recreation and off-highway vehicles, pinyon-juniper encroachment, noxious/invasive weeds) will be addressed by this management plan. Plans to address these issues can be listed below under management commitments.

4.1 MANAGEMENT COMMITMENTS

The Credit Project Proponent is expected to maintain existing habitat function by committing to management actions. Circumstances involving environmental and climatic variability (e.g., aroga moth infestations, severe drought, wildfire, etc.) are considered outside of the Credit Project Proponent's control and may require an addendum if long-term management should be affected. In the tables below, detail the management commitments to be implemented by the Credit Project Proponent. Make the actions as specific and measurable as possible. These actions should allow for compliance and non-compliance to be clear through reporting or discussion of management actions. Several examples of management commitments along with end goals and monitoring and reporting methods are provided in the table. Actions that are tentative should not be included.

These commitments include the most important actions for maintenance and improvement of habitat. The Administrator may have further recommendations and must agree that the management commitments are meaningful and durable. These commitments must be carried out as defined in this plan, unless modification to this management plan is agreed upon as stipulated in Section V. *Terms and Conditions*.

All management actions should have a goal that is specific and measurable. In the tables below management actions should list the action, goal, and monitoring method. These goals will be evaluated by the Credit Project Proponent on a yearly basis through an annual monitoring report, and are subject to spot checks at the discretion of the Administrator. Adaptive management is encouraged in this management plan and changes to the plan will need to be coordinated through the Administrator. Efforts should be made to create goals which are not sensitive to climatic conditions (i.e., drought).

Management concerns that should be addressed are listed below. Plans can be simple or complex, depending individual situations.

- Maintenance of fencing.
- Maintenance of water right, irrigation, and related infrastructure.
- Implementing a planned noxious weed treatment and invasive annual grass strategy.
- Implementing a plan to work towards and/or maintain Proper Functioning Condition in all lentic and lotic systems.
- Implementing restoration plan for all uplift projects in which credits have been made available upfront of verification (if applicable).
- Implementing grazing management plan (if applicable).
- Implement wildlife friendly haying methods (if applicable).
- Maintenance of conifer removal efforts (if applicable).

Examples of above elements are below (*italics*).

| Current Management Actions to be Maintained | | | | | | |
|--|-----------------------------|---|---|------------------------|-----------------------|---|
| MANAGEMENT ACTION | LOCATION | GOALS | ACTION | ANTICIPATED INTERVAL | COMMITMENT TIME FRAME | MONITORING/ REPORTING |
| Maintain Fencing | Across project area | All fences are functioning properly to serve as functional barriers to livestock, while having minimal impact to wildlife. | Inspect & maintain whenever necessary or when issues are apparent; described in Section 2. | As needed | Duration of project | Visual inspection & function reported annually, assessed through annual management report |
| Maintain water rights (Attachment B), irrigation, and infrastructure | Across project area | Water rights are kept in good standing. Irrigation & infrastructure is functioning properly to maintain and enhance meadow communities. | Continue to put water to beneficial use, inspect & maintain irrigation infrastructure whenever necessary or when issues are apparent; described in Section 2. | As needed | Duration of project | Visual inspection & function reported annually, assessed through annual management report |
| Maintain PFC | MUS 1, 3, 7, 10, 16, and 21 | Maintain PFC at or above current level. | Continue implementation of riparian and meadow management actions as detailed in Section 2. | As needed | Duration of project | Visual inspection & function reported annually, assessed through annual management report |
| Implement Fuels Reduction Strategies | Across project area | Reduce the risk of fire by grazing fine fuels and removing thick stands of woody litter. | Target graze fine fuels and manage woody litter buildup using the least invasive method possible for the location; described in Section 2. | As needed | Duration of project | Visual inspection & function reported annually, assessed through annual management report |
| Implement noxious weed treatment strategy | In MUs 6, 8, and 10 | Reduce and control noxious weeds. | Treat noxious weeds as described in detail in Section 2. | In the spring and fall | Duration of project | Management actions & effectiveness reported annually, assessed through annual management report |

| Current Management Actions to be Maintained | | | | | | |
|--|-----------------------|--------------------------|---|---|-----------------------|---|
| MANAGEMENT ACTION | LOCATION | GOALS | ACTION | ANTICIPATED INTERVAL | COMMITMENT TIME FRAME | MONITORING/ REPORTING |
| Implement invasive annual grass treatment strategy | In MUs 11, 12, and 15 | Reduce cheatgrass cover. | Graze cheatgrass as prescribed in spring, as described in Section 2 and Attachment D. | During the spring and possibly during other times of the year | Duration of project | Management actions & effectiveness reported annually, assessed through annual management report |

| New/Improved Management Actions to be Implemented | | | | | | |
|---|--|---|--|--|---|---|
| MANAGEMENT ACTION | LOCATION | GOALS | ACTION | ANTICIPATED INTERVAL | COMMITMENT TIME FRAME | MONITORING/ REPORTING |
| Implement improved grazing strategy | Across project area | To utilize flexibility in its grazing management to adapt each year to fit ever-changing climatic conditions. | Implement improved grazing strategy; described in Attachment D | Year-round | Duration of project | Management actions & effectiveness reported annually, assessed through annual management report |
| Implement wildlife friendly haying strategy | MU 4 | Reduce impacts which may contribute to reduced sage grouse survivorship associated with meadow use | Hay after nesting and brood-rearing (after June) in accordance with NRCS ANM10 | As needed | Duration of Project | Management actions & effectiveness reported annually, assessed through annual management report |
| Install/maintain grade control structures where needed to prevent channel incision. | Lost Hope Creek, MU 1 | Trend towards achieving and maintaining PFC. | Install and maintain grade control structures to address erosion using fallen trees from PJ treatments; described in Attachment I. | Installation this fall (2021) and maintenance as needed thereafter | Initial work, then maintain for duration of the project | Visual inspection, function, & effectiveness reported annually, assessed through annual management report |
| Remove and maintain conifer removal treatment | MUs 18, 19, 20, 22, 24, 25, 27, and 28 | Remove and maintain pinyon-juniper removal. | Lop post-cut regrowth as saplings arise. | Initial treatment this fall (2021), then treat regrowth on at most a 10-year basis | Initial work, then maintain for duration of the project | Visual inspection & management actions reported annually, assessed through annual management report |

| New/Improved Management Actions to be Implemented | | | | | | |
|---|---|---|---|---|--|---|
| MANAGEMENT ACTION | LOCATION | GOALS | ACTION | ANTICIPATED INTERVAL | COMMITMENT TIME FRAME | MONITORING/ REPORTING |
| Install riparian fences | MUS 1, 3, 7, 10, 16, and 21 | Protect spring sources. | Install wildlife friendly fencing around riparian areas. | Install and maintain as needed thereafter | Initial work, then maintain for duration of the project. Construction date not yet scheduled | Visual inspection, function, & effectiveness reported annually, assessed through annual management report |
| Seeding | Throughout the project area as needed, however, MUs 1, 10, 11, and 12 are priority. | Measurable increase of desirable perennial grasses and forbs; trend towards PFC in riparian area (MU 10). | Seed whenever a decrease in favorable vegetation becomes apparent or ground disturbance creates seeding opportunity; described in Attachment I. | As needed | Duration of project | Visual assessment, management actions, & effectiveness reported annually, assessed through annual management report |
| Dormant Season Grazing + seeding | 11, 12, 15 | Reduce cheatgrass % cover from 20% to 10% | Long term dormant season grazing pressure combined with seeding perennial grasses | Grazing annually, seeding as needed | Duration of project | Visual assessment, photo documentation during annual monitoring. |

4.2 POTENTIAL FOR UPLIFT

For map units where enhancement or restoration is not yet planned or in consideration, assess the conditions in the HQT calculator that can be improved upon (e.g., forb diversity, perennial grass cover). Describe potential opportunities for enhancement or restoration within the following table.

This is more of an informational table for the proponent to consider for future uplift opportunities, preemptively noting the number of credits that accompanies each potential opportunity. Anything in the below table in this section will not be required to be carried out. Again, it's just an FYI.

Example uplift opportunities are provided below (*italics*).

| Additional Uplift Opportunities | | | | | | |
|---------------------------------|---|---|---------------------------------------|--|---|-----------------------|
| MAP UNIT | UPLIFT OPPORTUNITY | PROJECTED CONDITIONS IN HQT CALCULATOR | CREDIT YIELD FROM MEETING PROJECTIONS | POTENTIAL TIMELINE FOR REALIZATION OF UPLIFT | OTHER BENEFITS OF IMPROVEMENT | POTENTIAL OF SUCCESS? |
| 7, 10 | Meadow Expansion | Increase in meadow area (>5% decrease in shrubs, >5% increase in grasses, >3% increase in forbs in surrounding areas) | 147 | 10 years | Increased Brood-rearing habitat | Low |
| 24, 25, 26 | Plant Sagebrush | >10% increase in sagebrush cover | 32 | 20 years | Increased cover | Moderate |
| 18, 19, 20, 22, 24, 25, 27, 28 | Restore understory of cut PJ areas (see Attachment I) | >5% increase in shrub cover, >5% increase in perennial grasses, >3% increase in forbs | 324 | 20 years | Restore areas to useable wildlife habitat | High |
| | | | | | | |

4.3 MANAGEMENT BUDGET

This section is meant to describe the cost of project management and assist in understanding project costs and determining the amount of funds set aside for stewardship of the project. List the management actions from the tables in Section 4.1 in the corresponding tables below. Provide anticipated levels of effort, frequency, and cost for each management action. For actions that require upfront costs and reduced maintenance costs thereafter, provide an estimated timeline. Management activities must be carried out according to the frequency and schedule identified below, unless modification to this management plan is agreed upon as stipulated in Section V. *Terms and Conditions*. If necessary, attach a more detailed account of management activities and their costs in the List of Attachments.

Example management activities are provided below (*italics*).

| Current Management Actions to be Maintained | | | | | | | |
|--|---|-------------------|-----------------|-----------------------|-----------------------|--------------------------------|-------------|
| MANAGEMENT ACTIVITIES | DESCRIPTION | REQUIRED (YES/NO) | LEVEL OF EFFORT | ANTICIPATED COST | FREQUENCY | SCHEDULE (IF APPLICABLE) | ANNUAL COST |
| Maintain Fencing | Inspect & maintain whenever necessary or when issues are apparent; described in Section 2. | Yes | Low | \$3,000 per year | As Needed | As needed. | \$3,000 |
| Maintain water rights (Attachment B), irrigation, and infrastructure | Continue to put water to beneficial use, inspect & maintain irrigation infrastructure whenever necessary or when issues are apparent; described in Section 2. | Yes | Low | \$1,000 per year | As Needed | As needed | \$1,000 |
| Maintain PFC | Continue implementation of riparian and meadow management actions as detailed in Section 2. | Yes | Low | \$1,000 per year | As Needed | As needed | \$1,000 |
| Implement Fuels Reduction Strategies | Target graze fine fuels and manage woody litter buildup using the least invasive method possible for the location; described in Section 2. | No | High | \$1,000 per year | Every Few Years | As needed depending on weather | \$1,000 |
| Implement noxious weed treatment strategy | Treat noxious weeds as described in detail in Section 2. | Yes | Medium | \$1,000 per treatment | Multiple Times a Year | Spring and/or Fall. | \$2,000 |

| Current Management Actions to be Maintained | | | | | | | |
|--|---|-------------------|-----------------|------------------|-----------------------|--------------------------|-------------|
| MANAGEMENT ACTIVITIES | DESCRIPTION | REQUIRED (YES/NO) | LEVEL OF EFFORT | ANTICIPATED COST | FREQUENCY | SCHEDULE (IF APPLICABLE) | ANNUAL COST |
| Implement invasive annual grass treatment strategy | Graze cheatgrass as prescribed in Section 2. Requires purchasing additional supplements and seed mixes. | No | High | \$1,000 per year | Yearly | Spring | \$1,000 |
| Implement wildlife friendly haying strategy | Hay after nesting and brood-rearing (after June) in accordance with NRCS ANM10. | Yes | Low | \$500 per haying | Multiple Times a Year | When producing hay | \$1,500 |
| TOTAL | | | | | | | \$10,500 |

| New/Improved Management Actions to be Implemented | | | | | | | |
|---|--|-------------------|-----------------|--|-----------------------|--|-------------|
| MANAGEMENT ACTIVITIES | DESCRIPTION | REQUIRED (YES/NO) | LEVEL OF EFFORT | ANTICIPATED COST | FREQUENCY | SCHEDULE (IF APPLICABLE) | ANNUAL COST |
| Implement improved grazing strategy | Implement improved grazing strategy, adaptive management, and the GRI; described in Attachment D | Yes | Low | \$3,000 per year | Multiple Times a Year | Throughout the Year | \$3,000 |
| Install/maintain grade control structures where needed to prevent channel incision. | Install and maintain grade control structures to address erosion using fallen trees from PJ treatments; described in Attachment I. | Yes | Medium | \$7,000 initially, then \$2,000 per year | Every Few Years | Initial work upfront, then periodic maintenance | \$2,000 |
| Remove and maintain conifer removal treatment | Lop post-cut regrowth as saplings arise. | Yes | High | \$85,000 initially, then \$10,000 every 10 years | Every Few Years | Large treatment 2021; maintenance every five to ten years thereafter | \$1,000 |
| Install riparian fences | Install wildlife friendly fencing around riparian areas. | No | Medium | \$25,000 initially, then \$1,000 per year | Yearly | Initial work upfront, then periodic maintenance | \$1,000 |
| Seeding | Seed whenever a decrease in favorable vegetation/forage becomes apparent or ground disturbance creates seeding opportunity; described in Attachment I. | No | High | \$10,000 initially, then \$100 per year | As Needed | As detailed within restoration plan. | \$100 |
| TOTAL | | | | | | | \$7,100 |

4.4 MONITORING, VERIFICATION, & REPORTING ACTIVITIES

This section is meant to plan and ensure adequate understanding of the necessary monitoring, verification, and reporting activities and their costs.

The Annual Management & Monitoring Report is required to be completed and submitted to the SETT by the end of July each year (with the exception of verification years) by all credit project proponents to maintain compliance in the Conservation Credit System. The report will serve as an account of the management actions performed in each year and confirm that the actions committed to were completed or in some cases unnecessary for the given year.

The goal of the monitoring component of this report is to assess and photo-document the condition of critical and general areas in the field during the CCS field season between April 15th and June 30th (or when vegetation is peaking). These efforts are meant to evidence whether or not habitat maintenance or improvement is occurring, in between more robust and diverse assessments by resource professionals. **A minimum of five annual photo-point locations per 1000 acres of project area** are recommended to be established. Four landscape photos accounting for a 360° view will be taken from each location to depict the vegetation in close proximity and the greater landscape behind it. To establish these locations, the following should be considered:

- Monitoring locations should be able to be accessed and located repeatedly by the credit producer over the course of the project with minimal risk.
- The sites should allow for adequate representation of the various map units and valuable project and habitat characteristics.
- Locations should capture sensitive areas of meadows and streams and areas with erosion issues (e.g., headcuts), as well as upland sites that best represent the general conditions and use of each map unit.
- Areas where treatments are planned or have occurred or where management activities are likely to have the most impact should be represented.
- Sites where invasive annual grasses (Cheatgrass and Medusahead) and noxious weeds are at risk of expansion should also be represented.
- Locations chosen should convey the most important project information. For example, with a 360° assessment, a site centered in a meadow or along a stream would allow capture of upstream, downstream and riparian perspectives, and locations transitional zones between vegetative communities will convey information about multiple habitats from one point.

Determine the locations of the monitoring sites to be used for annual monitoring. Once established, include a map below displaying the monitoring site locations as well as the map units for the project.

Place a map showing the locations of the monitoring sites here...

Describe the locations of the sites in the table provided below. Example monitoring site descriptions are provided in the table (*italics*). The credit producer will photo-monitor at these locations in all years in which verification does not occur for the length of project commitment.

| Site Number, Name (UTMs) | Description of the location, the Map Unit(s) the photo-monitoring will capture, the headings so that photos are comparable over time, and the justification to include location in annual monitoring: |
|--|---|
| #1, Lost Hope Creek and Hay Field (38.4534645 N, 116.8456456 W) | This site is located at the headcut on Lost Hope Creek (MU 1, 0°), looking down the pipeline (90°) towards the hay field MU 4 (180°). Photos look upstream (304°), onto the historic floodplain in MU 1 (50°), downstream in to monitor gully depth (136°), and onto the historic floodplain in MU 4 (230°). Map Unit 1 and the headcut is directly assessed and monitored and MU 4 is indirectly assessed in photos. |
| #2, South Pasture (38.43456 N, 116.567434 W) | This site is located on the chalky hill in the west side of the project area. The photo point looks onto MU 2 and MU 3 (New Hope Spring, 0°), MUs 3 and 4 (90°), and MU 1 in the distance (180°). MUs 2 and 3 are directly assessed in these photos, MUs 1 and 4 are indirectly assessed. |
| #3 East and South Pastures (38.32445 N, 116.865345 W) | This site is located adjacent to MU 5 (west) at the foothill of the central knob at the corner of the South Pasture. The photos look onto MUs 6 and MU 2 (0°), MU 5 (90°), MU 7, (Lazy Cow Spring, 180°), and MUs 1 and 4 (270°). MUs 5 and 6 are directly assessed by this photo point. |
| #4 North and East Pastures (38.34325 N, 116.124356 W) | This site is located near the junction between the North and East Pastures in MU 8. The photos look onto MU 10 (Fat Horse Spring, 0° and 90°), MUs 8 and 9 (180° and 270°). MUs 8 and 10 are directly assessed by this photo monitoring point. |
| #5 North and Northeast Pastures (38.456789 N, 116.4565776 W) | The site is located near Wild Man Pond and the Northeast Pasture fence line. The photos look onto MU 16 (Wild Man Pond, 0° and 90°), MUs 11 and 12 (180°), and MUs 14 and 15 (270°). All MUs are directly assessed by this photo monitoring point. |
| #6 North and Northwest Pastures (38.123445 N, 116.678934 W) | The site is located near the gate from the North Pasture to the Northwest Pasture. The photos look onto MUs 18 and 19 (0°), MU 21 (Lost Soul Spring, 90°), MUs 20 and 22 (180° and 270°). MUs 18, 19, and 21 are directly assessed by this photo monitoring point. |
| ...Continue | |

Project Specific Monitoring

Is the acreage of the known medusahead increasing?

☐ YES ☐ NO How much?

Is there a new patch of medusahead that needs to be treated and monitored?

☐ YES ☐ NO Where?

Are the structures on Lost Hope Creek working to prevent further erosion?

☐ YES ☐ NO

Do new measures need to be implemented to improve PFC?

☐ YES ☐ NO

After determining the monitoring sites, review the most current Annual Management and Monitoring Report template to estimate the effort and costs of its completion annually. These cost estimates should be included in the table on the following page and will be used to determine the size of the stewardship fund described within section 6.4.

Five-Year Qualitative Assessments (QAs) are to be conducted alongside the SETT at five year increments outside of the years in which verification occurs. This Five-Year QA will involve a GIS evaluation of the project using aerial imagery and remote sensing data by the SETT. This will be followed by a site visit in which the SETT member assigned to the project will meet with the Credit Project Proponent, conduct the annual monitoring component of the Annual Management & Monitoring Report, assess whether the project area is being managed as committed to, and provide a general assessment of the habitat and critical areas within the project area. Although Five-Year Qualitative Assessments (QAs) will involve a SETT member accompanying the Credit Project Proponent on the annual monitoring effort every five years, the Credit Project Proponent will be accountable for the same effort on and completion and submission of the Annual Management & Monitoring Report in these years as well.

Verification efforts are planned for Year 15 of 30 year commitments and at fifteen year increments for longer projects. Verification is necessary to periodically assess whether habitat conditions and management commitments are being maintained and to measure any uplift due to management actions. Spot checks will have similar objectives but will be conducted and funded by the SETT. Verification efforts will need to be conducted and reported on by a certified verifier. 100% of the initial HQT effort is planned for verification along with a brief report. To estimate the cost of verification, contact a certified verifier.

In order to remain compliant, Annual Management & Monitoring Reports & Verification reports must be received in a timely manner. The Administrator will be responsible for determining whether an intentional reversal has occurred due to not meeting the reporting obligations as appropriate for management practices.

The typical monitoring activities to be budgeted for are provided below (*italics*). Please update the information and the estimated costs as appropriate.

| Monitoring & Reporting Activities Summary Description & Estimated Budget | | | | | | | |
|--|---|-------------------|-----------------|------------------|-----------|----------------------------------|-----------------------|
| MONITORING & REPORTING ACTIVITIES | DESCRIPTION | REQUIRED (YES/NO) | LEVEL OF EFFORT | COST | FREQUENCY | SCHEDULE | ESTIMATED ANNUAL COST |
| Annual | Annual Management and Monitoring Report Completed by the Property | Yes | Low | \$1,000 per year | Yearly | To be completed in June of every | \$1,000 |

| Monitoring & Reporting Activities Summary Description & Estimated Budget | | | | | | | |
|--|--|-------------------|-----------------|---------------------------|-----------------|------------------------------------|-----------------------|
| MONITORING & REPORTING ACTIVITIES | DESCRIPTION | REQUIRED (YES/NO) | LEVEL OF EFFORT | COST | FREQUENCY | SCHEDULE | ESTIMATED ANNUAL COST |
| | Owner and Submitted to the Administrator | | | | | year over a couple of days | |
| Verification | Verification at Year 15 (or at 15 Year Increments on Projects Greater than 30 Years) and Reporting Completed by a Certified Verifiers | Yes | Medium | \$82,000 per Verification | Every Few Years | To be completed in years 15 and 30 | \$5,500 |
| TOTAL | | | | | | | \$6,500 |
| Required Date of Submittal | The Annual Management and Monitoring Report will be submitted to the Administrator by July 31st of each year that Verification is not conducted. | | | | | | |

4.5 FINANCIAL ASSURANCES ESTIMATE

Outline the estimated financial assurance budget to be set aside upon sale of credits for the Credit Project in the green cells below. At a minimum, financial assurance mechanisms must be provided to cover the anticipated average annual costs associated with management and monitoring of the Project Area.

Verification should also be included. Note that the table below is an estimate and is based on a standard 2% interest rate, 1% inflation increase, and 10% contingency across 30 years of project management with verification at every 15 years. The upfront funds required may change based on market fluctuations or management and maintenance cost increases, decreases, or requirements. For credits invalidated due to an intentional reversal, please see Section 6b in the Participant Contract. Additional financial assurances to replace credits that have been sold but become invalidated due to intentional reversal may also be required. However, maintenance and monitoring of the Project Area are the fiscal responsibility of the Credit Project Proponent if the funds established in the Financial Assurance instrument are depleted prior to the end of this Contract. See the CCS Financial Assurance Guidance Document for more information about Financial Assurances and how to set them up.

The purpose of this section is to help the Project Proponent understand their fiscal responsibility once the credits are sold or transferred. Please see the Pro Forma Checklist for factors that should be considered when listing credits for sale. Additional costs based on creating and maintain the financial mechanism should also be factored in when determining the costs per credit.

The table below estimates the current financial assurances set aside for a sale of 100% of the credits generated. Should multiple transactions occur, then the below table will be adjusted proportionally to the acres locked in for each transaction.

| Project Assumptions | | |
|-------------------------|------------|---|
| Variable | Value | Description and Rationale |
| Annual Monitoring Costs | \$1000 | Enter cost to landowner of annual monitoring. Reference Section 4.4 of Management Plan for amount. |
| Annual Management Costs | \$17600 | Enter cost to landowner of annual management. Reference Section 4.3 of Management Plan for amount. |
| Cost of Upfront HQT | \$5500 | Enter cost of initial HQT assessment |
| Monitoring Term | 30 | Enter number of years that project will be monitored. If project will be monitored in perpetuity, enter "120" |
| Annual Contingency | \$1,860.00 | <u>To refresh formulas, highlight all fields and press F9 or right-click on each white cell in table and click "Update Field"</u> |

| Financial Assurance Requirements Estimate | | | |
|---|--------------|--|------------|
| Upfront Funds Required for Annual Management and Monitoring | | Upfront Funds Required for Periodic Verification | |
| Annuity (project monitored for specific number of years) | \$533,305.97 | Annuity (project verified for specific number of years) | \$8,937.89 |
| Perpetuity (project monitored forever) | \$ 0.00 | Perpetuity (project verified forever) | \$ 0.00 |
| Total Upfront Funds Required | | | |
| Annuity (project verified for specific number of years) | \$542,243.86 | | |
| Perpetuity (project verified forever) | \$ 0.00 | | |

V. FURTHER TERMS AND CONDITIONS

This section describes the responsibilities of the relevant parties and terms and conditions under this management plan, including any prohibited uses. Add language where appropriate (*in italics*). Additional responsibilities may be defined in the participant contract. Any alterations of the established language below should be discussed with the Administrator.

| | |
|--|---|
| Credit Project Proponent Responsibilities | <p><i>Describe the Credit Project Proponent's specific responsibilities under the management plan. Add responsibilities as needed to reflect responsibilities and management actions specific to the project.</i></p> <p>Monitor all treatment areas, map units, and grazing, irrigation, and other infrastructure that assists in GRSG habitat management and maintain habitat quality to avoid any intentional reversals. Any activities that decrease the HQT calculation defined in this management plan will be avoided. Undertake reasonable actions to prevent the unlawful entry and trespass by people, feral or stray horses and livestock whose activities may degrade or harm the functional values as quantified by the HQT calculation. Failure to observe and/or report these activities, with no action taken, could lead to an intentional reversal and financial penalties associated to the loss of credit values. The Credit Project Proponent or his authorized agent(s) will do all the monitoring/reporting and proposed treatments. Project Proponent will submit the annual monitoring report each year by July 31st. We suggest that all fences be flagged in accordance with NRCS "Fence Considerations in Sage-Grouse Habitat" https://www.nrcs.usda.gov/Internet/FSE_DOCUMENTS/nrcs142p2_042043.pdf.</p> |
| Property Owner Responsibilities | Same as above |
| Land Manager Responsibilities | Same as above |
| Transfer of Responsibilities | <p>Any subsequent transfer of responsibilities under this management plan to a different Land Manager shall be requested by the Land Manager, Credit Project Proponent, or Property Owner in writing to the Administrator. A transfer shall require written approval by the Administrator, and shall be incorporated into this management plan by amendment. Any subsequent Property Owner assumes Land Manager responsibilities described in this management plan and as required in the participant contract, unless otherwise amended in writing by the Administrator.</p> <p><u>Emergency Next of Kin (Main)</u></p> <p>Name: <u>Berin Stein</u> Relationship <u>Son</u> Email: <u>Berinstein@luckysteers.com</u> Phone: <u>775.867.5309</u> Address: <u>PO Box 000; Elko, NV 89803</u></p> <p><u>Emergency Next of Kin (Optional Other)</u></p> <p>Name: <u>Goldie Berg</u> Relationship <u>Daughter</u> Email: <u>goldieberg@luckysteers.com</u> Phone: <u>775.273.8255</u> Address: <u>PO Box 000; Elko, NV 89803</u></p> |

| | |
|---|---|
| Adaptive Management | <p>The requirements set forth in this management plan are intended to ensure the success of the credit project. They are not intended to limit the Land Manager's ability to incorporate new knowledge and use the most effective conservation measures available. The Land Manager will evaluate the effectiveness of management actions to achieve management objectives over time. If required management actions specified herein do not achieve intended results, or if new conservation measures are recommended, the Land Manager may recommend modification to this management plan as necessary. Amendments to this management plan must be agreed upon in writing by the Property Owner, Credit Project Proponent, and the Administrator.</p> |
| Prohibited Uses | <p>Activities resulting in direct or indirect habitat loss will be analyzed on a case-by-case basis with regards to habitat function, and could result in an intentional reversal. Thus, any activities that may alter the initial verification calculation should be avoided. Anthropogenic disturbances defined in table 1 of the CCS Users Guide that are developed by the landowner may constitute an intentional reversal that results in loss of habitat function.</p> <p>If ground disturbance within 3 miles of an active sage-grouse lek is absolutely unavoidable, conduct ground disturbance activities from 15 July to 30 November to avoid disturbing sage-grouse during the breeding, nesting, early brood rearing and winter periods, with the exception that fence removal and installation around project area meadows potentially used as late-brood rearing habitat should be conducted outside the late brood-rearing season, which is from June 15 to September 15, to the extent feasible. If actions must be completed during the time of lek use from March 1st to May 15th, they should be avoided from 6 pm to 9 am and when possible, consist of noise levels less than 10 decibels above ambient.</p> |
| Remedial Action & Amendments | <p>This management plan may be amended or modified only with the written approval of the Property Owner, Credit Project Proponent and the Administrator. Amendment or modification of this management plan may be required to better meet management objectives and preserve the habitat and conservation values of the Project Area, or to remediate the project due to intentional or unintentional reversals. See the participant contract for additional information on remediation of the credit project.</p> |

NEVADA CONSERVATION CREDIT SYSTEM

MANAGEMENT PLAN FORM SECTION B (SEPARATE DOCUMENT)

This section is to be completed upon the sale or transfer of credits, with a new section added with each credit sale or transfer. The Credit Project Proponent and credit system Administrator signatures on this page of this management plan indicate mutual agreement to its contents.

VI. CREDIT SALE ADDENDUM I

The purpose of this section is to detail the sale of the credits and set expectations about the funding of the bank, including naming responsible parties for managing the funds throughout the duration of the project. Please include any supporting documents (e.g., maps, financial assurance documentation, management plan amendments) if needed.

6.1 SIGNATURES

The information included in this form and all attachments is accurate to the best of my knowledge. I understand all credit unit calculations and required management activities are subject to verification according to Nevada Conservation Credit System protocols.

Credit Project Proponent Signature

Date

Credit System Administrator Signature

Date

6.2 PROJECT DURATION

This section outlines the duration of the project and the details of the current sale or transfer.

PROJECT DURATION

☐ Permanent Contract ☒ Term Contract: 30 years

| TOTAL SELLABLE CREDITS TO DATE | CREDITS SOLD/ TRANSFERRED TO DATE | PERMANENT CREDITS TO BE SOLD/ TRANSFERRED | TERM CREDITS TO BE SOLD/ TRANSFERRED | DATE OF SALE/TRANSFER | CREDIT BUYER |
|---|---|--|--|--------------------------|--------------------|
| 922 | 0 | 0 | 457 | October 12, 2020 | Liquid Gold Oil |

SERIAL NUMBERS: C-TMLS-2020-4-NF-00922-00001 - C-TMLS-2020-4-NF-00922-00457

MAP UNITS*: 3, 18, 24, 25, 26

*The entire map unit must be managed equally, even when only partial credits have been sold.

6.3 BUDGET ADJUSTMENTS

Please note any budget adjustments since the signing of the management plan.

| Budget Adjustments | | |
|--------------------|---------------------------------|---|
| BUDGET CATEGORY | CHANGE | REASONING FOR REVISIONS |
| Maintain Fencing | Increase annual cost to \$3,400 | Addition of riparian fences increase annual maintenance costs |
| | | |

6.4 FINANCIAL ASSURANCES

Describe the financial assurance mechanisms planned to be implemented upon sale of credits for the Credit Project. At a minimum, financial assurance mechanisms must be provided to cover the anticipated average annual costs associated with management and monitoring of the Project Area. Verification should also be considered. (Additional financial assurances to replace credits that have been sold but become invalidated due to intentional reversal may also be required. See the Participant Contract for more detail. The Fund Manager should also be specified in the Participant Contract.) The functionality and financial health of all financial assurances mechanisms are evaluated when the Credit Project is verified.

| Summary of Funding | | | |
|---------------------|----------------------------|---|--------------------|
| FINANCIAL MECHANISM | FUND MANAGER & INSTITUTION | WITHDRAWAL REGULATIONS | STARTING PRINCIPAL |
| Bond | Bonds R Us | Cannot withdraw more than \$8,500/year except every 15 th year, which the limit rises to \$11,000. | \$254,560.00 |

6.5 MANAGEMENT PLAN REVISIONS

The Management Plan as a whole is meant to address the entire Project Area and the management commitments, which will continue in the long-term when the credits sell. However, there may be a few unknowns until a formal sale of credits is discussed such as the term length or the effects of a sale of a portion of the credits. Please populate the table below with the areas of the management plan likely to change when the specifics of a negotiation to sell credits are determined and the reason that changes will be necessary.

| Management Plan Revisions | |
|---------------------------|--|
| CHANGE | REASONING FOR REVISIONS |
| Noxious weed strategy | New infestation of white top has shown up in map unit 7. We will be adding that to our noxious weeds plan. |
| | |

VII. CREDIT SALE ADDENDUM II

The purpose of this section is to detail the sale of the credits and set expectations about the funding of the bank, including naming responsible parties for managing the funds throughout the duration of the project. Please include any supporting documents (e.g., maps, financial assurance documentation, management plan amendments) if needed.

7.1 SIGNATURES

The information included in this form and all attachments is accurate to the best of my knowledge. I understand all credit unit calculations and required management activities are subject to verification according to Nevada Conservation Credit System protocols.

Credit Project Proponent Signature

Date

Credit System Administrator Signature

Date

7.2 PROJECT DURATION

This section outlines the duration of the project and the details of the current sale or transfer.

PROJECT DURATION

☐ Permanent Contract ☒ Term Contract: 30 years

| TOTAL SELLABLE CREDITS TO DATE | CREDITS SOLD/ TRANSFERRED TO DATE | PERMANENT CREDITS TO BE SOLD/ TRANSFERRED | TERM CREDITS TO BE SOLD/ TRANSFERRED | DATE OF SALE/TRANSFER | CREDIT BUYER |
|--------------------------------|-----------------------------------|---|--------------------------------------|-----------------------|----------------------|
| 922 | 457 | 0 | 53 | December 31, 2020 | Peekaboo Exploration |

SERIAL NUMBERS: C-TMLS-2020-4-NF-00922-00458 - C-TMLS-2020-4-NF-00922-0050

MAP UNITS*: 1, 17

*The entire map unit must be managed equally, even when only partial credits have been sold.

7.3 BUDGET ADJUSTMENTS

Please note any budget adjustments since the signing of the management plan.

| Budget Adjustments | | |
|--------------------|--------|-------------------------|
| BUDGET CATEGORY | CHANGE | REASONING FOR REVISIONS |
| NA | | |
| | | |

7.4 FINANCIAL ASSURANCES

Describe the financial assurance mechanisms planned to be implemented upon sale of credits for the Credit Project. At a minimum, financial assurance mechanisms must be provided to cover the anticipated average annual costs associated with management and monitoring of the Project Area. Verification should also be considered. (Additional financial assurances to replace credits that have been sold but become invalidated due to intentional reversal may also be required. See the Participant Contract for more detail. The Fund Manager should also be specified in the Participant Contract.) The functionality and financial health of all financial assurances mechanisms are evaluated when the Credit Project is verified.

| Summary of Funding | | | |
|---------------------|----------------------------|--|--------------------|
| FINANCIAL MECHANISM | FUND MANAGER & INSTITUTION | WITHDRAWAL REGULATIONS | STARTING PRINCIPAL |
| Bond | Bonds R Us | Cannot withdraw more than \$2,000/year except every 15 th year, which the limit rises to \$4,000. | \$30,800.00 |

7.5 MANAGEMENT PLAN REVISIONS

The Management Plan as a whole is meant to address the entire Project Area and the management commitments, which will continue in the long-term when the credits sell. However, there may be a few unknowns until a formal sale of credits is discussed such as the term length or the effects of a sale of a portion of the credits. Please populate the table below with the areas of the management plan likely to change when the specifics of a negotiation to sell credits are determined and the reason that changes will be necessary.

| Management Plan Revisions | |
|---------------------------|-------------------------|
| CHANGE | REASONING FOR REVISIONS |
| NA | |
| | |