



NEWS RELEASE

The Conservation Fund Purchases 72,440 Acres in Minnesota From PotlatchDeltic

2020-11-19

One of the largest land conservation acquisitions in recent state history will support northern Minnesota's long tradition of timber production and outdoor recreation

SHOREVIEW, Minn.--(BUSINESS WIRE)-- **PotlatchDeltic Corporation** (NASDAQ: PCH) has completed the previously announced sale of 72,440 acres of forestland in northern and central Minnesota to **The Conservation Fund** for nearly \$48 million. The Conservation Fund's purchase will provide time for the development and implementation of permanent conservation strategies with local partners that will preserve working forestlands and safeguard jobs, while also protecting water quality and wildlife habitat, contributing to local economies and allowing for recreational access.

This press release features multimedia. View the full release here:

<https://www.businesswire.com/news/home/20201119005328/en/>

The lands acquired by The Conservation Fund are in 14 counties— Aitkin, Becker, Beltrami, Carlton, Cass, Clearwater, Crow Wing, Hubbard, Itasca, Kanabec, Koochiching, Morrison, St. Louis, and Wadena. Approximately 31,600 acres are located within the reservation boundaries of two bands of the Minnesota Ojibwe Tribe—the Bois Forte Band and the Leech Lake Band.

The Conservation Fund will manage the forestland, now called Minnesota's Heritage Forest, for wildlife, water quality and sustainable timber harvesting, while continuing traditional recreational uses, including hunting and fishing. The national nonprofit dedicated to protecting environmentally and economically significant natural spaces will work with county, state, tribal, and local governments to determine the best conservation and sustainable

management outcomes for the forestland, with the goal of transferring ownership to public and tribal entities over the next decade.

President and CEO of The Conservation Fund Larry Selzer remarked: “Changing economic conditions have caused industrial forestland across much of the U.S. to be converted to non-forest uses, subdivided and lost over the last 20 years. Our goal is to protect five million acres of working forests across the country, and our purchase of PotlatchDeltic’s acreage in Minnesota accelerates that effort by taking an important first step to ensure the majority of these lands remain forested and will continue to be sustainably managed as working timberlands.”

This outcome is the culmination of work over the last decade between The Conservation Fund and PotlatchDeltic to achieve both conservation and economic goals. With this transaction and others underway, this partnership has been the catalyst to conserve more than 200,000 acres in the State of Minnesota for various conservation purposes, including working forests, protection of important habitats and public access. The lumber mill in Bemidji will continue to be owned and operated by PotlatchDeltic as it has for nearly 30 years with logs supplied from Minnesota’s Heritage Forest, supporting the essential jobs required to deliver and process the trees.

“This transaction represents a significant milestone in our long-term strategy to maximize shareholder value through rural real estate sales,” said **Mike Covey, chairman and chief executive officer of PotlatchDeltic**. “Our Minnesota ownership was approximately 330,000 acres when we began our rural land sale program over a dozen years ago. The timberlands sold in this transaction were heavily weighted to more remote areas, ideal for conservation and working forest protection. PotlatchDeltic values conservation initiatives as an important component of our commitment to environmental stewardship. We are proud of our ongoing partnership with The Conservation Fund and the tremendous outcomes transactions like these have on jobs, wildlife and public benefit.”

The Conservation Fund’s acquisition was possible through its **Working Forest Fund®**, dedicated to mitigating climate change, strengthening rural economies and protecting natural ecosystems through the permanent conservation of at-risk working forests. In 2019, The Conservation Fund worked with Goldman Sachs to issue the nation’s first green bond solely dedicated to conservation in the United States. Capital from the bonds, as well as support from the Richard King Mellon Foundation were utilized in the nonprofit’s purchase of Minnesota’s Heritage Forest. The Richard King Mellon Foundation has quietly established itself over decades as one of the primary leaders in the history of the United States in the protection of environmentally sensitive areas through land acquisition.

Sam Reiman, director of the Richard King Mellon Foundation, said: “The Foundation’s partnership with The Conservation Fund spans more than 30 years, and together we have protected nearly 3.7 million acres in all 50 states. This important project in Minnesota represents an innovative approach to conservation finance, one that is now attracting for-profit investment firms—an affirmation that holds great promise for future land conservation,

and that is testament to both the soundness of our conservation strategies, and the Fund's ability to deliver on projects.”

The Conservation Fund will work with its local partners to secure federal and state funding, as well as private support in order to implement permanent conservation solutions on these lands and transfer ownership to primarily public and tribal entities over the next decade.

“Our temporary ownership provides time to develop permanent conservation strategies best suited for our partners and the lands that include public access and recreational opportunities under future county, state, tribal, and local government ownership,” said **Kim Berns-Melhus, Minnesota state director for The Conservation Fund**. “We will work to better align and consolidate public forest holdings through land exchanges and direct conveyances resulting in improved economic returns to community, state and tribal governments, as well as enhancing revenue for Minnesota school districts throughout the state.”

“The Conservation Fund’s goals for purchasing 15,000 acres of PotlatchDeltic land in St. Louis County are seamlessly consistent with the County’s own resource management goals, which include improving forest health and productivity, protecting wildlife habitat and water quality, providing raw materials for local industry, and providing opportunities for tourism and recreation,” said **Keith Musolf, St. Louis County commissioner and chair of the Environment and Natural Resources Committee**. “Furthermore, the Heritage Forest Project will provide opportunities to consolidate public land ownership and expand our working forest land base which supports the County’s traditional logger workforce and rural community economies.”

31,000 acres of Minnesota’s Heritage Forest are in the headwaters area of the Mississippi River, which supports more than 350 wildlife species, including many of the endangered, threatened and rare species listed in Minnesota like the northern long-eared bat, red-shouldered hawk and Blanding’s turtle.

Many of Minnesota’s Heritage Forest tracts are adjacent to existing public lands and will build on the network of large, protected landscapes of undivided forests that are essential to the ecology of the region and provide important habitat corridors for wildlife. The sustainable management of biologically diverse forests helps build resiliency and adaptability to stresses caused by changing environmental conditions. These forests also provide carbon dioxide-absorbing benefits to help fight climate change.

About The Conservation Fund

At The Conservation Fund, we make conservation work for America. By creating solutions that make environmental and economic sense, we are redefining conservation to demonstrate its essential role in our future prosperity. Top-ranked for efficiency and effectiveness, we have worked in all 50 states since 1985 to protect more than eight

million acres of land, including more than 311,000 acres in Minnesota in places like the iconic Boundary Waters Canoe Area Wilderness and at one of the most important birding sites in North America, Sax Zim Bog. Learn more at www.conservationfund.org and www.workingforestfund.org.

About PotlatchDeltic

PotlatchDeltic (NASDAQ:PCH) is a leading Real Estate Investment Trust (REIT) that owns 1.8 million acres of timberlands in Alabama, Arkansas, Idaho, Louisiana, Minnesota and Mississippi. Through its taxable REIT subsidiary, the company also operates six sawmills, an industrial-grade plywood mill, a residential and commercial real estate development business and a rural timberland sales program. PotlatchDeltic, a leader in sustainable forest management, is committed to environmental and social responsibility and to responsible governance. More information can be found at www.potlatchdeltic.com.

About the Richard King Mellon Foundation

Founded in 1947, the Richard King Mellon Foundation is the largest foundation in southwestern Pennsylvania, and one of the 50 largest in the world. The Foundation's 2019 endowment was \$2.7 billion and its Trustees in 2019 awarded 172 grants totaling \$129 million, focused on the Foundation's strategic priorities: economic development, education, and human services in Southwestern Pennsylvania, and environmental conservation across the United States.

Forward Looking Statements

This communication contains statements that are forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995, including, without limitation, statements regarding PotlatchDeltic's long-term strategy, expected real estate closings, and continued operation of its lumber mill in Minnesota. All forward-looking statements speak only as of the date hereof, are based on current expectations and involve and are subject to a number of assumptions, risks and uncertainties that could cause actual results to differ materially from such forward-looking statements. There is no guarantee that any of the events anticipated by these forward-looking statements will occur. If any of the events occur, there is no guarantee what effect they will have on PotlatchDeltic's operations, financial condition or results of operations. The company undertakes no obligation to update these forward-looking statements after the date of this news release.

View source version on [businesswire.com](https://www.businesswire.com/news/home/20201119005328/en/): <https://www.businesswire.com/news/home/20201119005328/en/>

**For PotlatchDeltic
(Investors)**

Jerry Richards
1-509-835-1521

(Media)

Anna Torma
1-509-835-1558

For The Conservation Fund

Ann Simonelli
1-703-908-5809

asimonelli@conservationfund.org

Source: PotlatchDeltic Corporation