

**PROSPECTUS
FOR THE
PROPOSED TEXADA MITIGATION AREA II
PLAQUEMINE, LOUISIANA**



SEPTEMBER 2011

Prospectus for the Proposed Texada Mitigation Area II Plaquemine, Louisiana

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SECTION 1.0
INTRODUCTION



1.0 INTRODUCTION

In 2003 Texada Properties, Inc. (Texada) established a 45-acre mitigation site in Iberville Parish for the purpose of compensating for the unavoidable losses of wetland functions and values associated with Department of the Army (DA) Section 10 and/or Section 404 permits issued by the New Orleans District Corps of Engineers (NOD). The original 45-acre mitigation site (Mitigation Area I) is approximately 95 percent sold out and Texada desires to establish Texada Mitigation Area II adjacent to the original site. Texada Mitigation Area II is an approximately 120-acre area that is currently leveed and used for crawfish production. The site includes approximately 93 acres of jurisdictional wetlands, 1 acre of existing pipeline right-of-way, and approximately 27 acres of non-wetlands, including the top and side slope of external levees. The proposed mitigation area is vegetated with herbaceous vegetation and the internal levees are occupied by mature bottomland hardwood (BLH) species such as black willow (*Salix nigra*) and Drummond's red maple (*Acer rubrum* var. *drummondii*).

The purpose of the proposed mitigation site is to rehabilitate and create, and maintain a productive forested wetland ecosystem in Iberville Parish, Louisiana in order to compensate for unavoidable losses of wetland functions and values associated with DA Section 10 and/or Section 404 permits issued by NOD. It is the intent of Texada to implement wetland rehabilitation and creation activities to develop a wetland mitigation bank for parties needing compensatory mitigation to satisfy DA permit requirements. Through contractual agreement with permit recipients, Texada will, for a fee to be paid by permittees, commit to providing the mitigation specified in DA permits and incur responsibility for the long-term maintenance, management, protection, and overall success of the mitigation site.

1.1 Site Location

The proposed Texada Mitigation Area II is located in the eastern half of the northwest quadrant of Section 40, T9S, R3E, Iberville Parish, Louisiana (Figure 1). The proposed Texada Mitigation Area II is bordered by Mitigation Area I to the east, Wilbert's Canal to the North, and a Parish drainage canal to the south. The proposed mitigation area does not have a direct connection with Wilbert Canal but is hydrologically connected to the Parish drainage canal. Land use north of Wilbert Canal consists primarily of agricultural lands (sugar cane production) and forested lands, and land use south of the Parish drainage canal consists of forested lands.

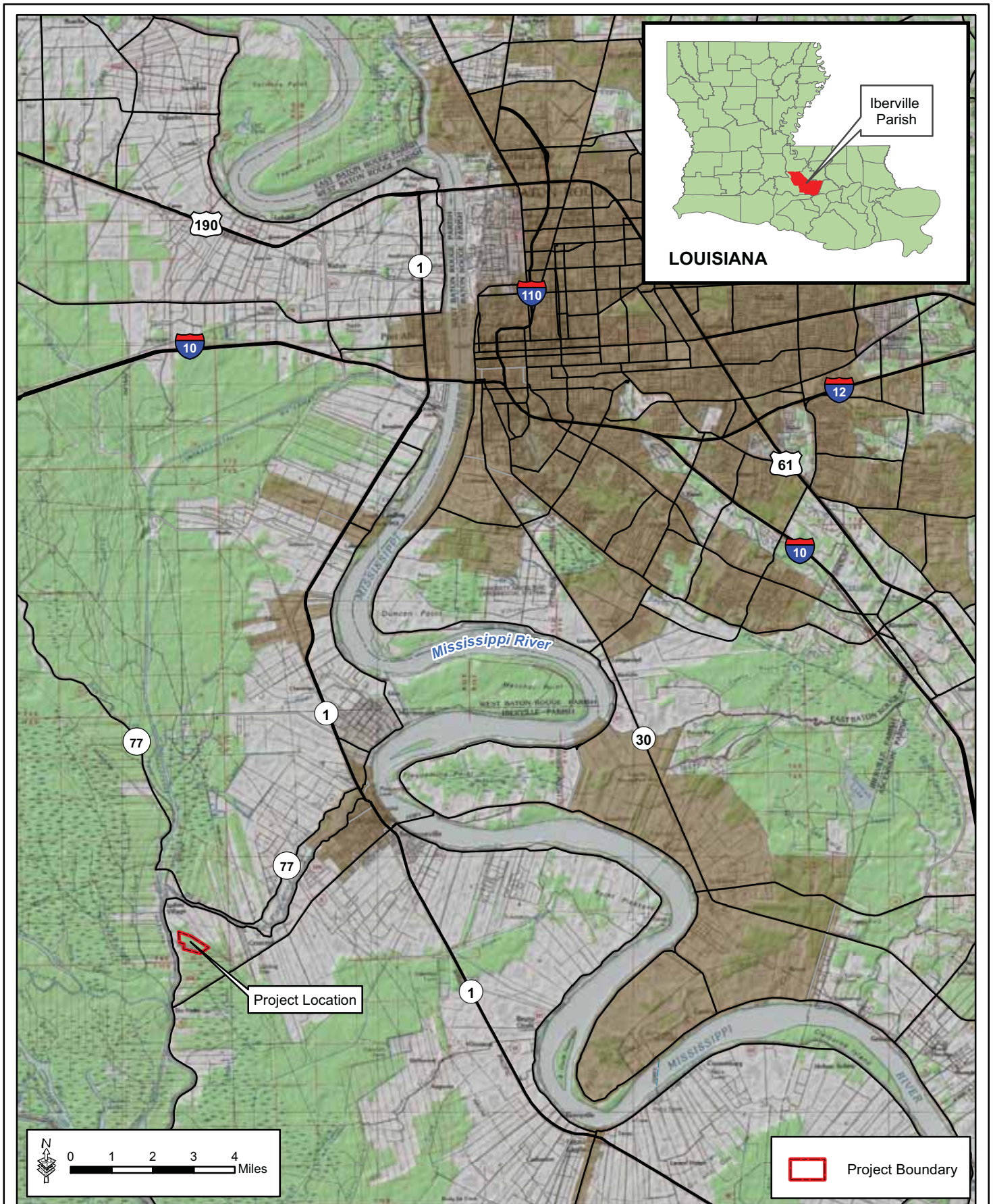


Figure 1: Vicinity Map
 Proposed Texada Mitigation Area II
 T9S-R11E, Section 40
 Plaquemine, Louisiana



July 2011

GSRC# 80549101

SECTION 2.0

PROJECT GOALS AND OBJECTIVES



2.0 PROJECT GOALS AND OBJECTIVES

The goals of the proposed mitigation bank are to restore the natural hydrologic regime within the project site and to rehabilitate and create a productive, self-sustaining BLH forested wetland. Approximately 67 acres of BLH and 25 acres of baldcypress (*Taxodium distichum*)/tupelo gum (*Nyssa sylvatica*) forest would be rehabilitated as part of the proposed mitigation bank, and approximately 14 acres of BLH and 3 acres of baldcypress/tupelo gum wetlands would be created at the proposed mitigation bank. Rehabilitation and creation efforts will include removing the internal levees and creating cuts in the southern levee. These efforts will restore the topography and hydrologic connection of the proposed wetland mitigation bank with adjacent wetlands. The resulting hydrologic regime will enhance flood storage, nutrient attenuation, sediment retention, and organic carbon transport through surface water flows, ground water transport, and seasonal input. This input in conjunction with a reformed soil layer would also promote the growth and succession of a healthy understory and forest canopy. A rehabilitated and created BLH forest resembling that of the forest to the south of the proposed mitigation site would reduce most invasive plant species and restore an abundance of macro and micro-environments for all trophic levels. The rehabilitated and created BLH forest would provide habitat for both resident and migratory woodland bird species, as well as mammals, amphibian, and reptile species. Additionally, these efforts will promote the temporary and/or permanent re-habitation of both indigenous plant species and local and migratory species of animals. Restoration of the natural hydrologic regime, and rehabilitation and creation of forested wetlands would restore and/or enhance the following aquatic functions: wildlife habitat, flood storage, sediment retention, nutrient attenuation, and organic carbon transport.

SECTION 3.0
ECOLOGICAL SUITABILITY OF THE SITE



3.0 ECOLOGICAL SUITABILITY OF THE SITE

3.1 Historical Ecological Characteristics of the Site

Historically, the hydrology at the proposed mitigation site was provided by precipitation, sloughs, backwater flooding and groundwater. Northwest to southeast trending sloughs conveyed water flow through the site and their remnants are present on-site. During the winter months (December through April) portions of the site would become inundated as a result of winter rains. Additionally, backwater from Wilbert Canal would inundate the site during flooding events. Currently, the site is leveed and the water level on the proposed site is controlled for crawfish production. Pumped water is used to flood the site during the appropriate times of the year.

Historically, the proposed site was a BLH forest with baldcypress/tupelo gum dominated sloughs. Dominant tree species in the BLH forest type included but were not limited to green ash (*Fraxinus pennsylvanica*), water oak (*Quercus nigra*), red maple (*Acer rubrum*), baldcypress (*Taxodium distichum*), sugarberry (*Celtis laevigata*), Nuttall oak (*Quercus nuttallii*), obtusa oak (*Quercus obtusa*), and water hickory (*Carya aquatica*). Buttonbush (*Cephalanthus occidentalis*) was a major vegetative component in the topographically lower areas. Adjacent land uses include agricultural production (sugar cane), forested land, wetland mitigation area, and residential (Figure 2).

3.2 Current Ecological Characteristics of the Site

Currently, the site is leveed and flooded for crawfish production. Dominant vegetation in the crawfish pond is black willow (*Salix nigra*), Drummond's red maple (*Acer drummondii*), sugarberry (*Celtis laevigata*) and cocklebur (*Xanthium strumarium*). The tree species, black willow, Drummond's red maple, sugarberry, are associated with the internal levees and the ponds are dominated by herbaceous vegetation. The external levees are dominated by various grass species and are maintained through mowing. Additionally, the crawfish ponds are planted annually with a grain crop, such as rice (*Oryza* spp.), to provide habitat for crawfish. Topographically the site is relatively flat with a slight fall from northwest to southeast (Figure 3). The crawfish ponds drain south into the Parish drainage canal through drainage structures located in the south levee.

Approximately 93 acres of the site are jurisdictional wetlands as determined by NOD in 1986. The jurisdictional wetlands on the project site are shown in Figure 4. Figure 4 is based on the 1986 jurisdictional determination issued by NOD. The jurisdictional determination was completed as part of an after-the-fact permit (Permit No. SW (Iberville Parish Wetlands) 130) obtained for the construction of the crawfish ponds. A copy of the permit is provided in Appendix A.

Historically, the proposed site supported both BLH and baldcypress/tupelo gum forest types. Both of these forest types are well adapted for the soil types found on the proposed site. The United States Department of Agriculture (USDA) Web Soil Survey

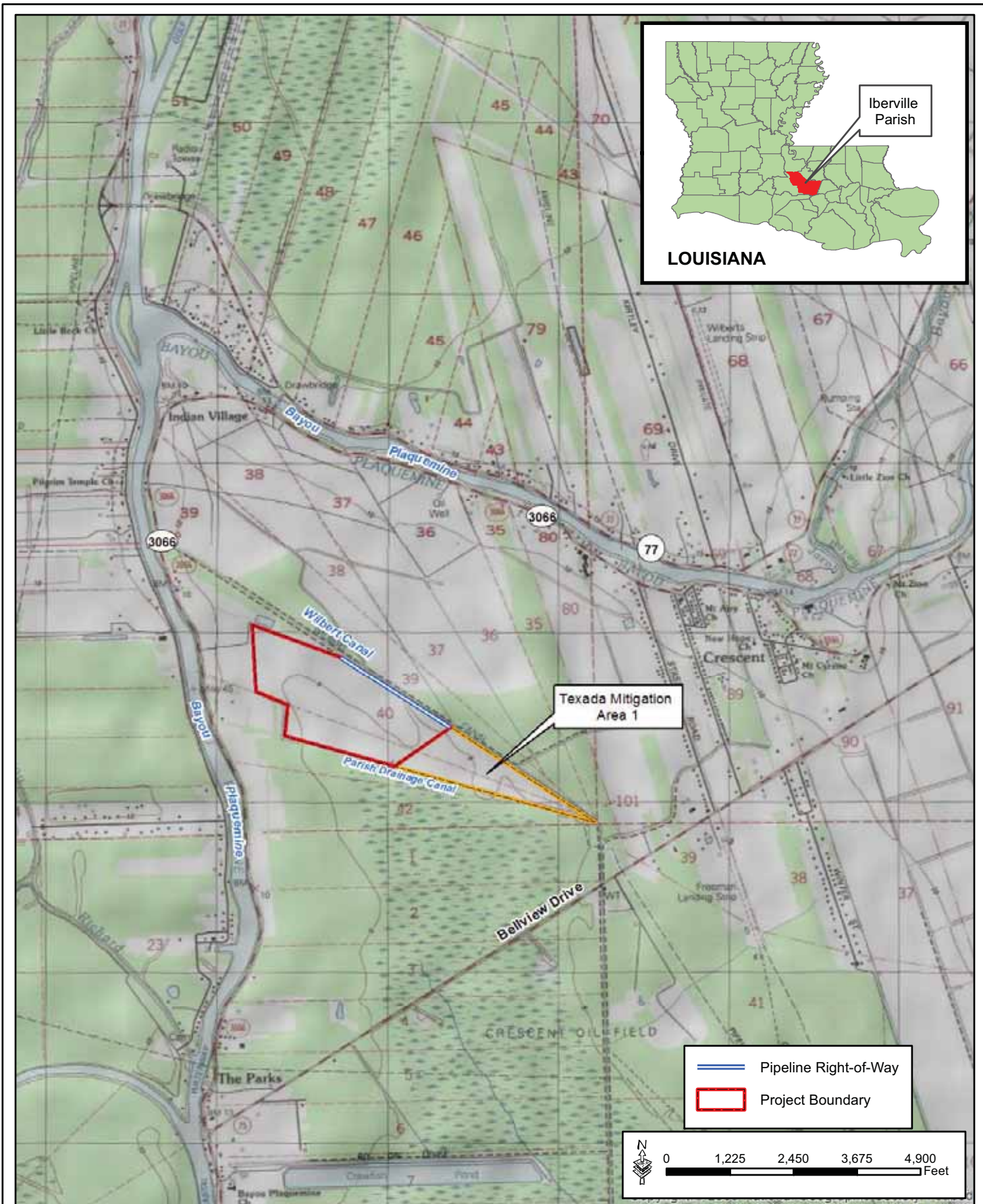


Figure 2: Project Location Map
Proposed Texada Mitigation Area II
T9S-R11E, Section 40
Plaquemine, Louisiana



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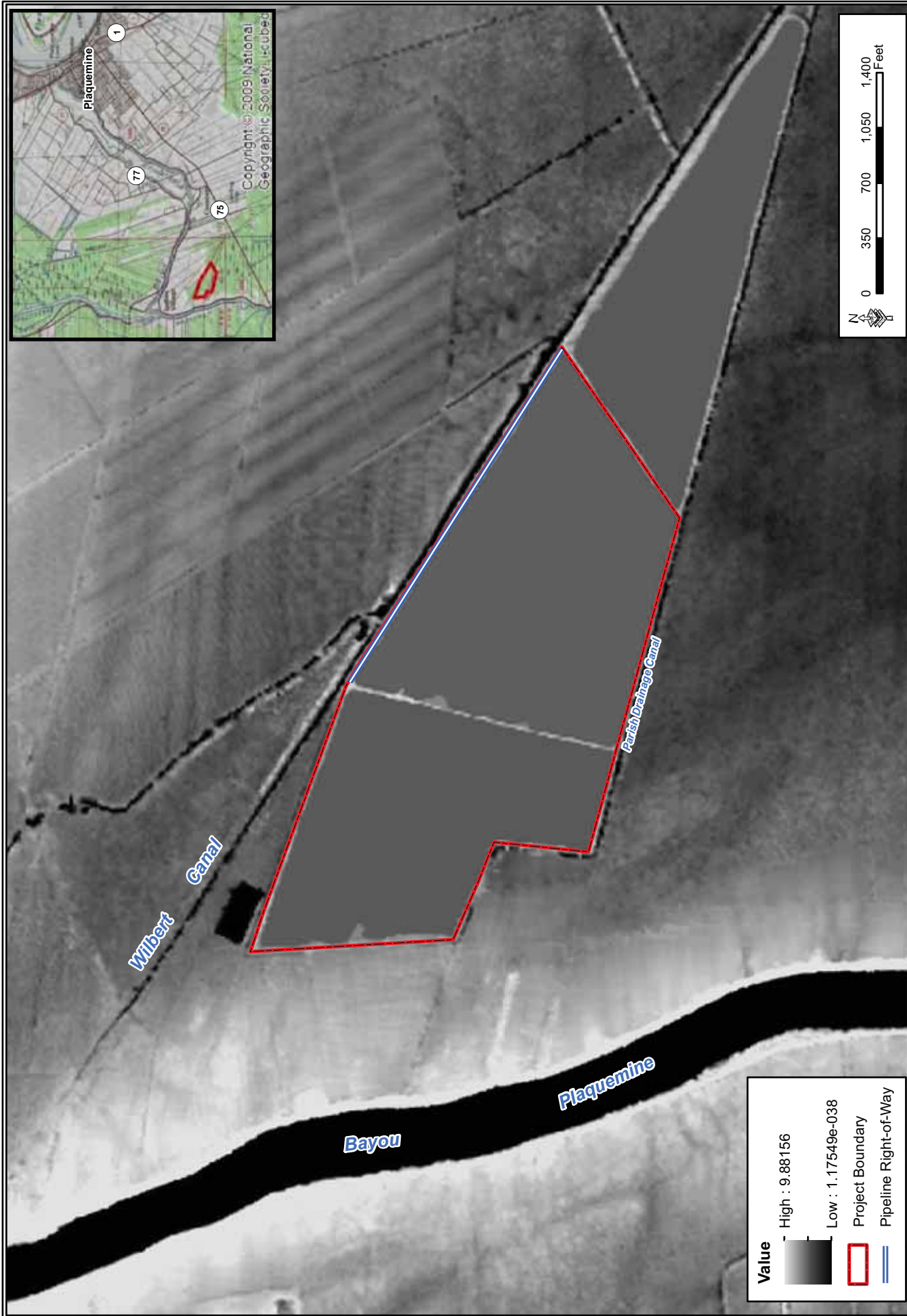


Figure 3: Digital Elevation Map
Proposed Texada Mitigation Area II
T9S-R11E, Section 40
Plaquemine, Louisiana

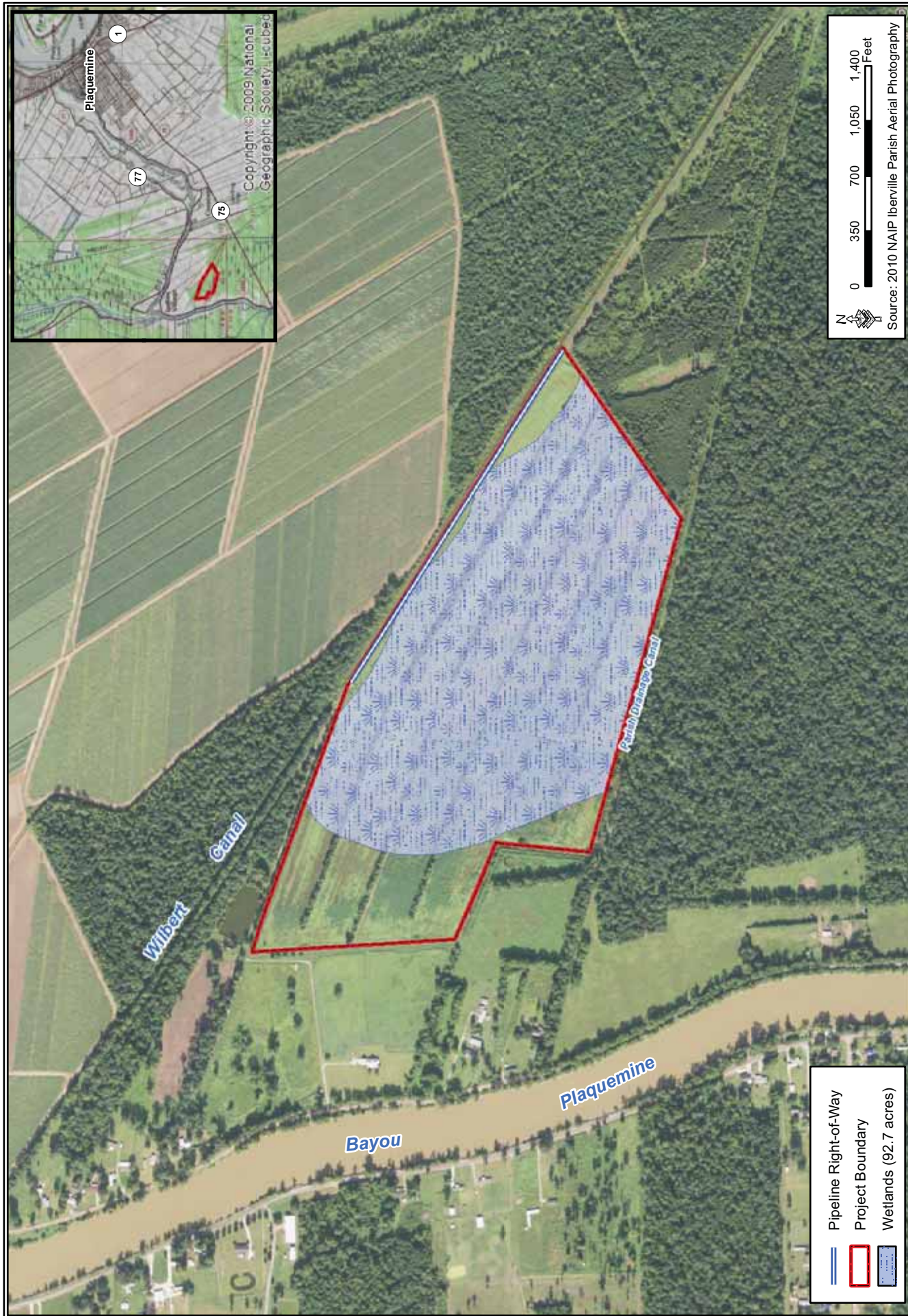


Figure 4: Wetland Map
Proposed Texada Mitigation Area II
T9S-R11E, Section 40
Plaquemine, Louisiana

shows the Schriever clay, frequently flooded (Se), Sharkey clay (Sg) and Vacherie silt loam (Va) soil series as occurring on site (USDA 2010a). A soils map of the proposed site is shown as Figure 5. Schriever clay, frequently flooded (Se) is a level, poorly drained soil, located on the lower Mississippi River alluvial floodplain and its tributaries and backswamp positions. Schriever soils are saturated from 0 to 0.5 feet below the surface from December through April. Sharkey clay (Sg) is a poorly drained soil that is high in fertility. The seasonal high water table fluctuates between a depth of 1.5 feet and the surface during the months of December through April. Vacherie silt loam (VA) is a nearly level somewhat poorly drained soil that occurs on the intermediate parts of the natural levees of the Mississippi River and its distributaries. The seasonal high water table fluctuates between depths of 1 to 3 feet during the months December through April. The surface is wet for significant periods in winter and spring. Adequate moisture is available to plants in most years.

The Schriever clay, frequently flooded (Se) and Sharkey clay (Sg) soil types are listed as hydric soils in Louisiana on the National Hydric Soils list (USDA 2010b). Historically, BLH forests were found on these soil types in Iberville Parish. All of the jurisdictional wetlands on the property are located on Schriever clay, frequently flooded (Se) soil type. The rehabilitation portion of the mitigation project is located on the Schriever clay, frequently flooded (Se) soil type and the creation portion of the mitigation project is located on Sharkey clay (Sg) soils. The two soil types are also considered highly fertile and have a high potential for BLH production (USDA 2010a). Seedling mortality ranges from slight to severe. Severe seedling mortality is a management concern on Schriever clay, frequently flooded (Se) soils.

The area of Sharkey clay (Sg) soils are not considered jurisdictional wetlands per the 1986 jurisdictional determination (see Figure 4). At the time the jurisdictional determination was completed, the plant community in this area was dominated by upland plant species. However, Sharkey clay (Sg) soils are considered a hydric soil and restoration of the hydrologic regime would create the proper ecological conditions to promote the establishment of hydrophytic vegetation and the creation of forested wetlands.

Hydrology sources at the proposed site are mainly precipitation, groundwater, and backwater flooding. On average Iberville Parish receives 57.2 inches of rainfall annually and the highest period of rainfall is July (USDA 2007). Seasonal high water tables are typically from the surface to 3 feet below the surface depending on the soil type and occur from December to April. Prior to the development of levees for crawfish production flood waters from Wilbert Canal and the Parish drainage ditch would backup onto the proposed mitigation site. Currently, backwater from both of these waterbodies can enter the proposed site if the drainage structures are open. Backwater flooding typically occurs from December to April; however, backwater flooding can occur in the summer during period of extended rainfall.

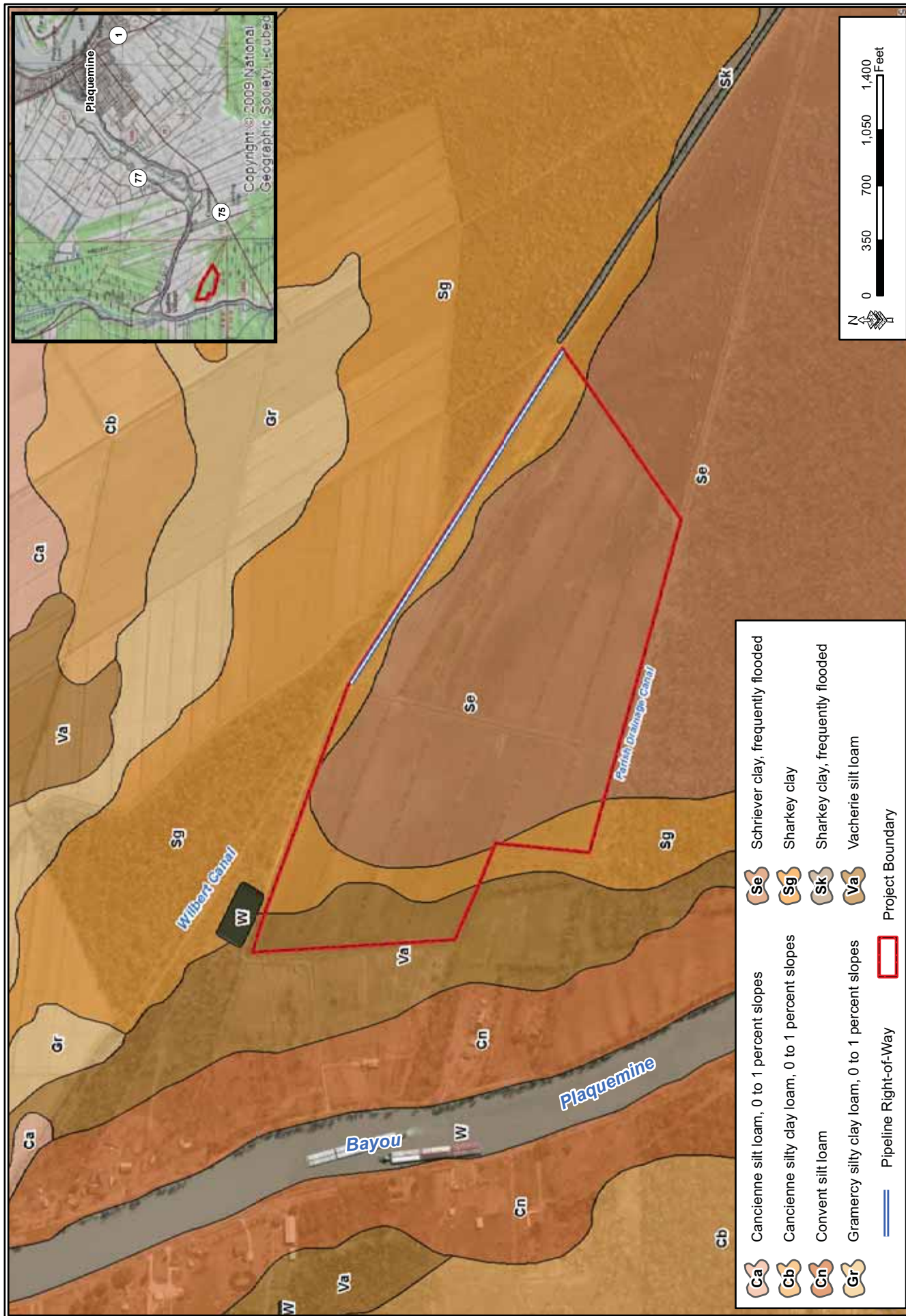


Figure 5: Soil Survey Map
 Proposed Texada Mitigation Area II
 T9S-R11E, Section 40
 Plaquemine, Louisiana

The site is ecologically suitable to rehabilitate and create BLH and baldcypress/tupelo gum forest types. These forest types are indigenous to Iberville Parish and are adapted to the soil types found on the proposed mitigation bank site. Additionally, both forest types historically occurred on the project site and currently occur on lands adjacent to the proposed mitigation bank site. All three soil types have high productivity for BLH and baldcypress/tupelo gum forest types. All hydrologic input will occur through seasonal groundwater levels, seasonal precipitation patterns, backwater flooding and surface flow during prolonged rain events. The precipitation amounts and groundwater levels associated with the proposed site are conducive to forested wetlands.

The proposed mitigation area site is located within the Lower Grand River and Belle River Watershed Basin (Figure 6). The Lower Grand River and Belle River Watershed Basin is approximately 115,178 acres. The Basin extends from approximately Plaquemine, Louisiana south to Lake Palourde near Morgan City, Louisiana.

3.3 General Need for the Project in this Area

No watershed plans exist for the Lower Grand River and Belle River Watershed Basin. However, establishing the proposed mitigation area would provide regional and local benefits. The BLH habitat type is a habitat of special concern in Louisiana due to historical and current habitat losses (USFWS 2011). Approximately 70 percent of the state's original BLH forests have been lost to urban development and conversion to agriculture. Establishment of the proposed mitigation area would rehabilitate approximately 67 acres of BLH forest and approximately 25 acres of baldcypress/tupelo gum forests, and create approximately 14 acres of BLH forest and approximately 3 acres of baldcypress/tupelo gum forest. Rehabilitation and creation of these habitat types will provide regional and local benefits as a result of establishing these forested wetland habitat types on a previously converted site and creating forested wetlands on an area previously considered non-wetlands. Additionally, local benefits will be realized as a result of increased flood storage and water quality benefits provided by the proposed mitigation area.

The proposed mitigation site will provide mitigation to compensate for unavoidable losses of wetland functions and values associated with DA Section 10 and/or Section 404 permits issued by the New Orleans District Corps of Engineers (NOD). Mitigation for the unavoidable loss of wetlands associated with the issuance of DA Section 10 and/or Section 404 permits is needed to ensure a no net loss of wetlands.

3.4 Technical Feasibility

Earthwork would be required to restore the natural hydrology of the site. Earthwork would include removing 10 to 20-foot sections of the southern external levee at three to four locations to allow surface water flow. The levee would remain in place, with the exception of the constructed gaps, to provide access around the site for management purposes. The gaps in the levee would not be constructed until 3 to 5 years following planting or the establishment of the regeneration. The purpose of delaying the construction of the gaps is to hold water during plant establishment, if needed for

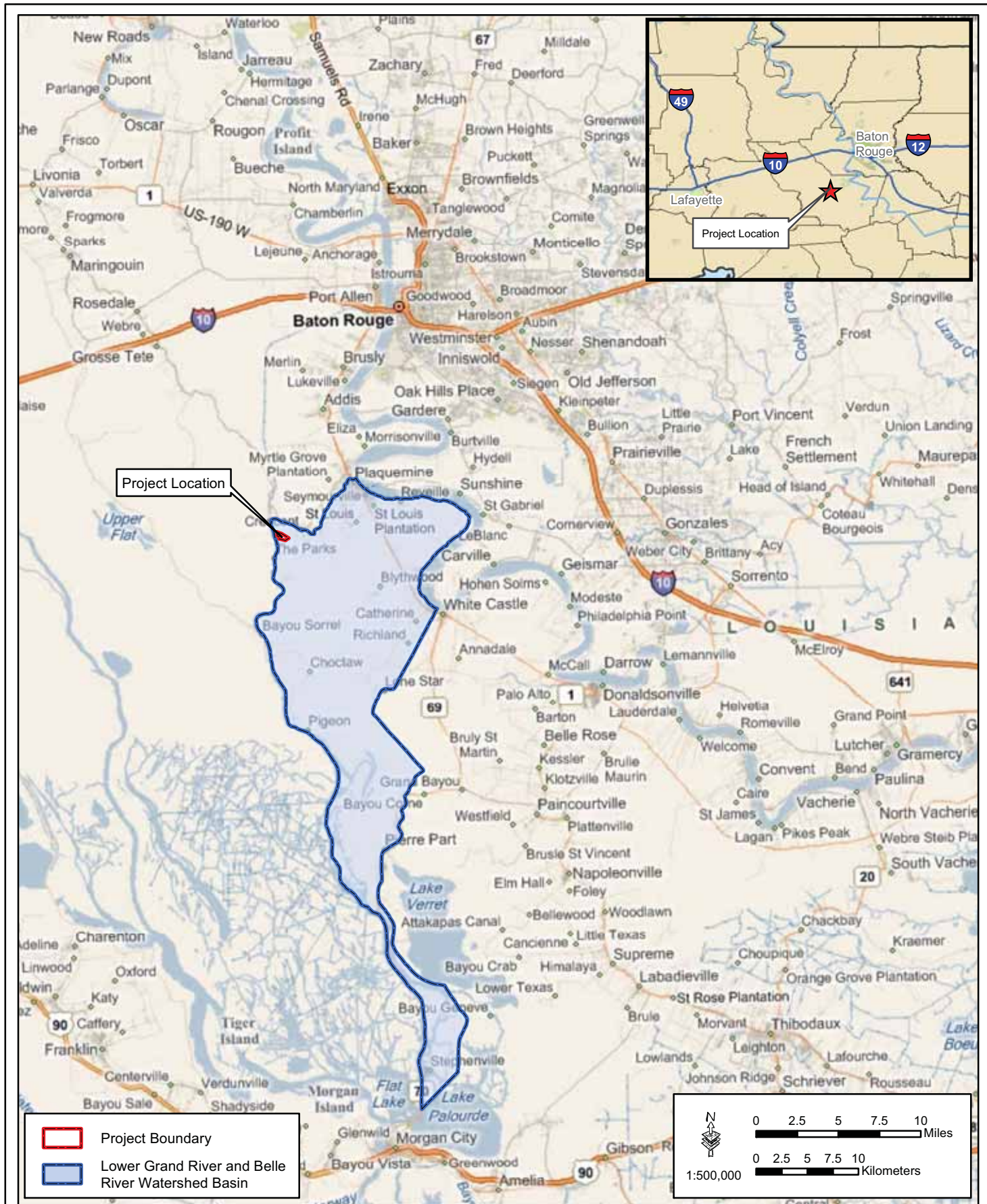


Figure 6: Drainage Area Map
Proposed Texada Mitigation Area II
T9S-R11E, Section 40
Plaquemine, Louisiana



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irrigation purposes. Additionally, the internal levees would be cleared of vegetation and degraded. Spoil from the degraded levees would be spread over the site and the depth of the spoil would not exceed 6 inches in any one location.

Completion of this construction would return the surface water flow conditions to those prior to levee construction. No risks are anticipated with these efforts and the work is feasible using standard construction equipment (i.e., bulldozer, trackhoe).

SECTION 4.0
ESTABLISHMENT OF THE MITIGATION BANK



4.0 ESTABLISHMENT OF THE MITIGATION BANK

4.1 Site Restoration Plan

- 1) Approximately 67 acres of BLH forest and approximately 25 acres of baldcypress/tupelo swamp will be rehabilitated (Figure 7) to fulfill compensatory mitigation requirements specified in DA permits. All areas to be rehabilitated are located within existing jurisdictional wetlands (see Figure 4). Baldcypress, tupelogum, and buttonbush would be planted in remnant sloughs that are topographically lower than the surrounding landscape and retain water for longer periods. BLH species would be planted on the topographically higher areas of the proposed mitigation site.
- 2) Approximately 14 acres of BLH forested wetlands and 3 acres of baldcypress/tupelo gum swamp will be created in areas previously designated as non-wetlands (Figure 7). The soil type in these areas (Sharkey clay [Sg]) is listed as a hydric soil in Louisiana on the National Hydric Soils list (USDA 2010b). During the jurisdictional determination the plant community in the non-wetland area was dominated by upland plant species and did not meet the hydrophytic plant criteria. Restoration of the hydrologic regime on the site would create the proper ecological conditions for the establishment of wetland plant species. This area will be re-evaluated 5 years after the establishment of the bank to determine if the area is functioning as a wetland. If the area meets the criteria of a jurisdictional wetland and is functioning as a wetlands, the credits associated with the creation of wetlands would be include in the total credits available at the mitigation bank.
- 2) The existing external levees will remain, but 10 to 20-foot sections of the southern external levee would be removed at 3 or 4 locations to allow surface water flow (see Figure 7). Levee cuts will be located within the BLH areas, which are topographically higher than the baldcypress/tupelo sections. The levee cuts will be excavated to match existing natural surface contours (Figure 8). The majority of the soil from the levee cuts would be deposited in the existing dredged area and the remaining material would be spread over the non-leveed portion of the proposed mitigation site in such a manner not to increase the elevation of the proposed mitigation site by more than 6 inches in any one area. The levee gaps will be constructed approximately 3 to 5 years following planting or establishment of the regeneration.
- 3) The internal levees will be cleared of vegetation and the levees will be degraded to match the existing grade. The majority of the soil would be deposited in the existing dredged area and the remaining material would be spread over a sufficient area to not increase the elevation of the proposed mitigation site by more than 6 inches in any one area (Figure 9).

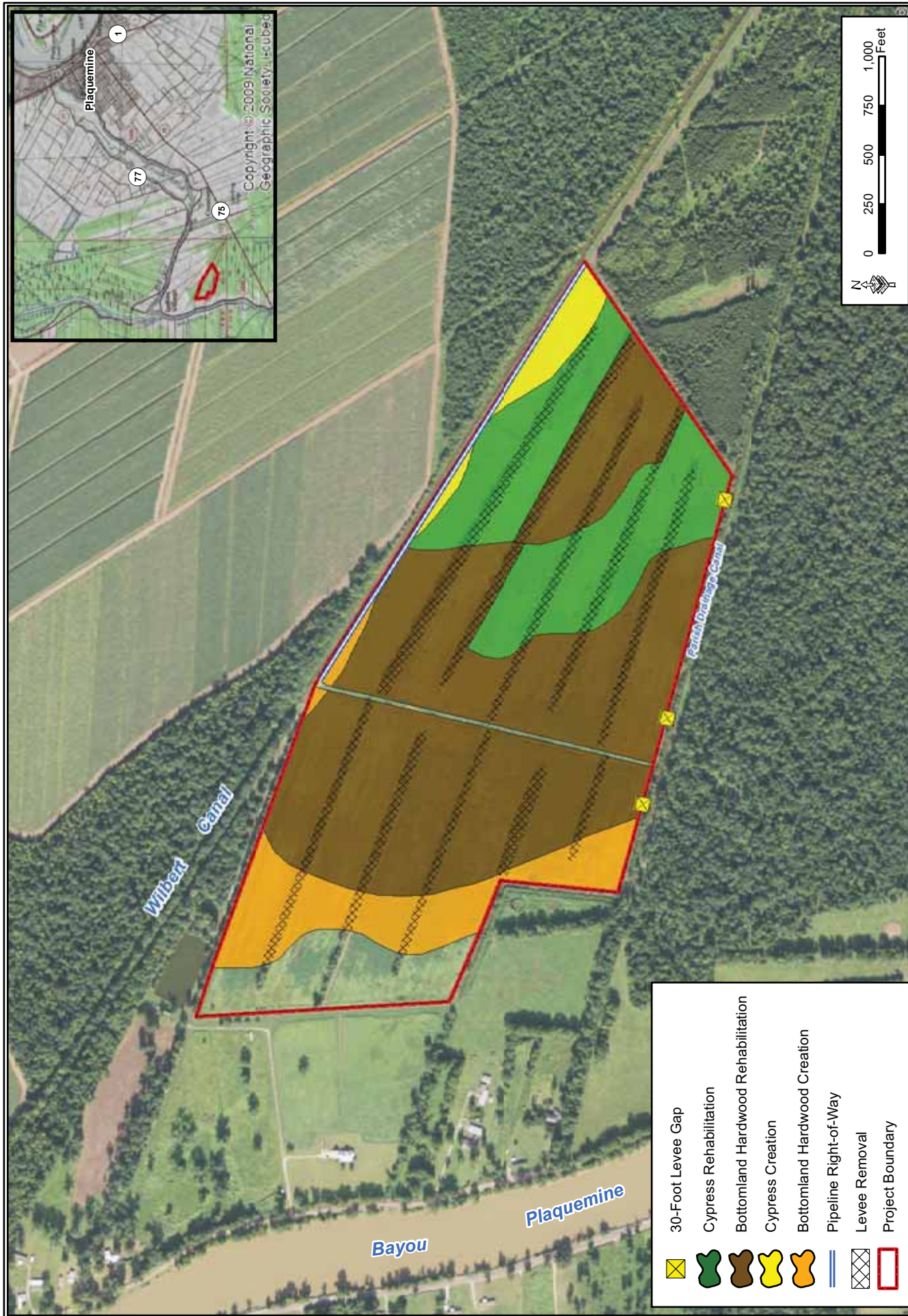
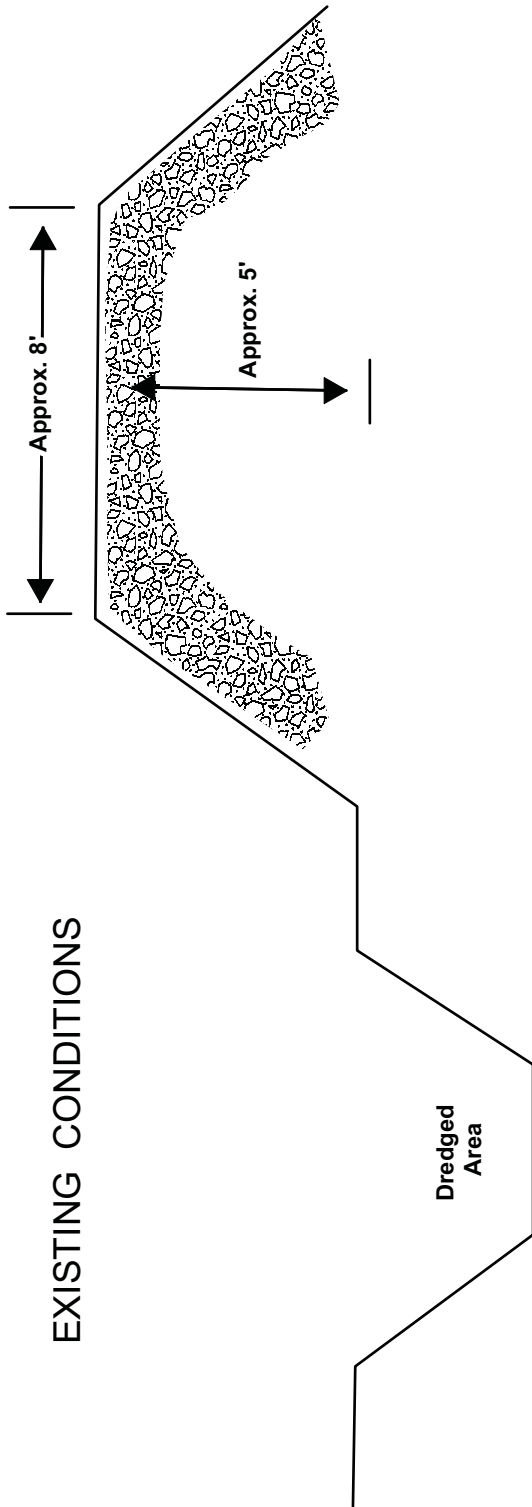
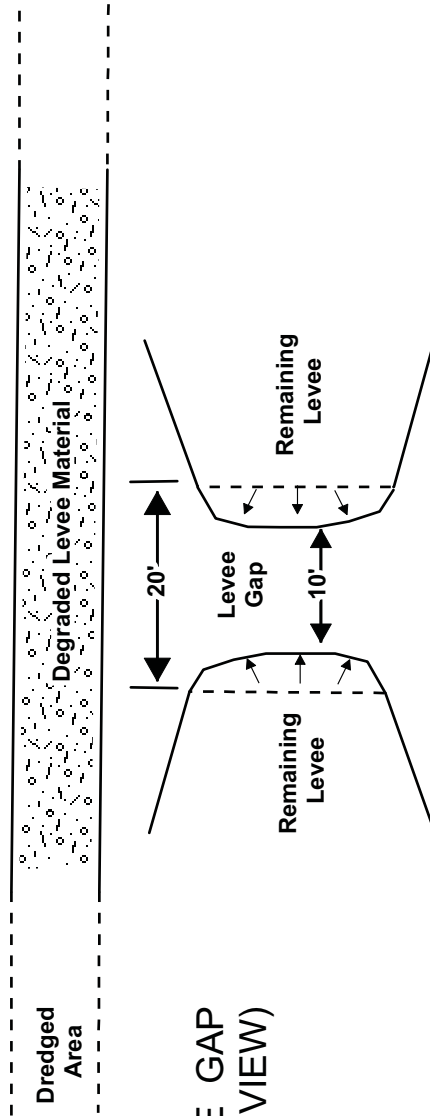


Figure 7: Management Unit Map
Proposed Texada Mitigation Area II
T9S-R11E, Section 40
Plaquemine, Louisiana

EXISTING CONDITIONS



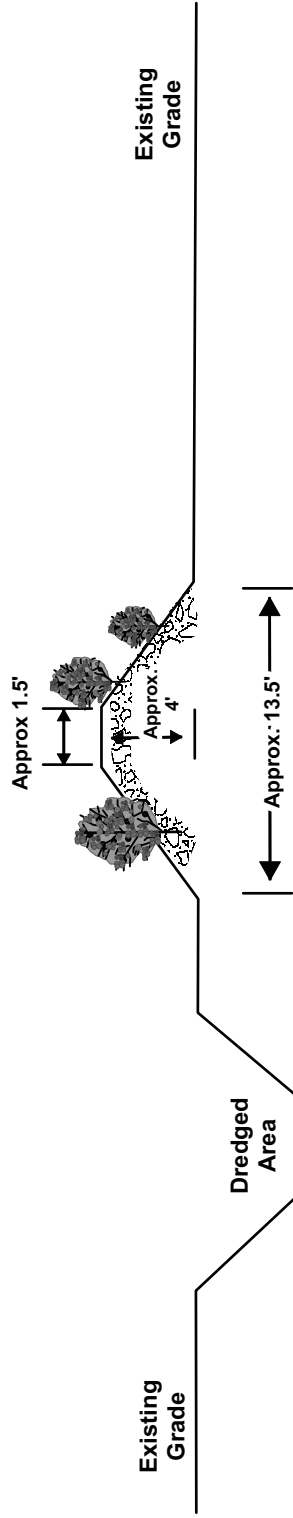
LEVEE GAP (TOP VIEW)



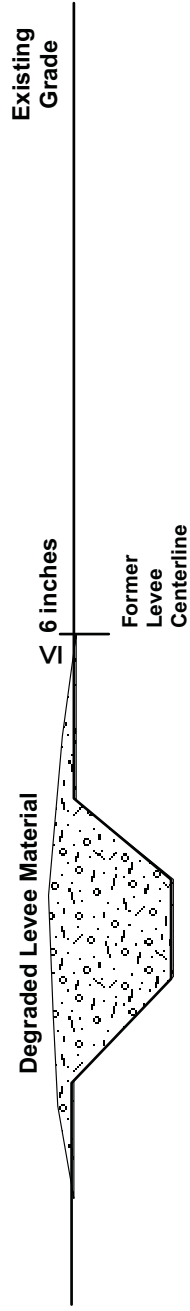
NOT TO SCALE

Figure 8: Typical Cross-section of External Levee Gap
Proposed Texada Mitigation Area II
T9S-R11E, Section 40
Plaquemine, Louisiana

EXISTING CONDITIONS



DEGRADED LEVEE



NOT TO SCALE

Figure 9: Typical Cross-section of Degraded Internal Levee
Proposed Texada Mitigation Area II
T9S-R11E, Section 40
Plaquemine, Louisiana



- 4) One- to two-year-old bare-root seedlings, possessing a minimum root collar dimension of 3/8-inches and a length of 18 inches will be properly stored and handled to ensure viability for planting in the prepared tract during the period between December 15 and March 15 (non-growing season).
- 5) As a general rule, seedlings will be planted on 9-foot centers (9- x 9-foot spacing) for a total initial stand density of at least 537 trees per acre.
- 6) Depending on availability, species to be planted will consist of the following species at the specified planting rates. If more than 5% discrepancy exists between the specified plants and available plants, approval from NOD must be granted.

Low Areas (Sloughs)

Baldcypress	60%
Tupelogum	30%
Buttonbush	10%

Typical Elevations

Baldcypress	10%
Red Maple	10%
Overcup Oak	15%
Nuttall Oak	15%
Willow Oak	15%
Green Ash	10%
Water Hickory	10%
Persimmon	5%
Buttonbush	10%

- 7) After planting, the site will be maintained to promote seedling survival by use of mechanical (e.g. bush-hogging) or chemical controls or some combination thereof.
- 8) The mitigation site will be monitored, managed, and protected as described below in this agreement. Additionally, the proposed mitigation site would be placed under a conservation servitude. The area to be included in the conservation servitude is shown in Figure 10 and described in Section 6.4.
- 9) The non-wetland areas in the western portion of the site will be allowed to naturally revegetate and will remain fallow.
- 10) The external levees will be maintained through bush-hogging to maintain access.

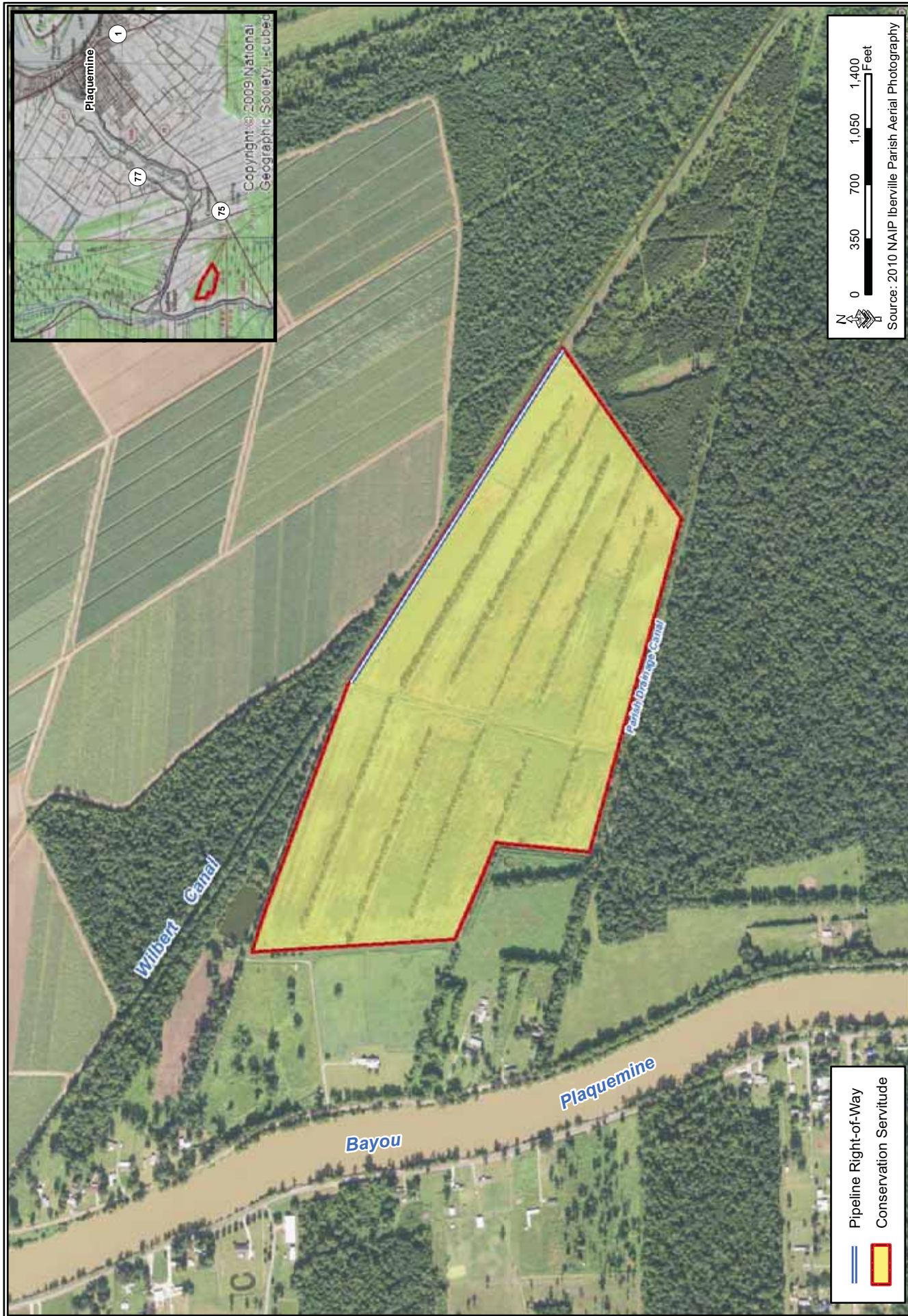


Figure 10: Conservation Servitude
Proposed Texada Mitigation Area II
T9S-R11E, Section 40
Plaquemine, Louisiana

4.1.1 Success Criteria

In order to be considered fully successful, the mitigation site must result in the restoration of viable wetlands capable of performing the important functions lost as a result of the projects it is intended to mitigate. The following criteria will be used to gauge the success of the mitigation effort:

- 1) Existing topography of the planted areas shall have been restored to reestablish natural surface contours to the maximum extent practicable. Resultant ground surface elevations must be conducive to the establishment and support of wetland vegetation.
- 2) Up to four, 10 to 20-foot section of the external levee shall have been removed by the fifth year following planting or establishment of the regeneration. The bottom grade of the gaps shall match the natural surface contours and must be conducive for the flow of water.
- 3) A minimum of 50 percent or 268 planted seedlings per acre, consonant with the planted ratio of hard mast to soft mast-producing species, must survive through the end of the first growing season following the planting (i.e., Year 1). This criterion will apply to initial plantings as well as subsequent plantings.
- 4) A minimum of 125 seedlings per acre must survive through the end of the fourth growing season (i.e., Year 5) following successful attainment of the Year 1 survivorship criterion described in Item 3. Trees established through natural recruitment may be included in this tally.
- 5) By Year 5, a healthy component of mid-story species shall be established. Typically, 75 mid-story plants per acre will be sufficient. The number of mid-story plants will be comprised of those species initially planted and those species present via natural recruitment. If the site is deficient in mid-story abundance and diversity, additional planting may be required.
- 6) Timber thinning(s) must have been performed pursuant to the approved timber management plan outlined below.
- 7) No other human activities which have caused the degradation of habitat within the mitigation site shall have occurred without expressed written authorization from NOD.
- 8) At Year 5, the wetland creation area must meet the three criteria's of a jurisdictional wetland to be considered in the total available credits of the mitigation bank.

4.1.2 Timber Management Plan

All timber harvests and thinning operations conducted in Texada Mitigation Area II shall be authorized by the Interagency Review Team (IRT) and shall be performed to maintain or enhance natural ecological processes. Under no condition, shall the site be clearcut. Timber harvests will be subject to appropriate permitting by NOD, which may be required at the time the harvests are proposed. Timber harvests shall be performed in accordance with the following conditions, unless deviations are approved by NOD:

- 1) Stands with trees averaging 6 inches diameter-at-breast-height (dbh) or 4.5 feet from ground level shall not be thinned below 30 square feet of basal area per acre, and stands averaging 8 inches dbh shall not be thinned below 40 square feet of basal area per acre.
- 2) During all harvests, the initial species composition and ratio of hard mast to soft mast-producing species comprising the stand shall be maintained.
- 3) At Year 60, a timber cruise may be conducted. If that inventory demonstrates sufficient stand regeneration, harvesting may occur as prescribed by the NOD in consultation with appropriate State and Federal resource agencies.
- 4) Loading and transport of harvested timber shall be accomplished by using existing roads and log-loading decks not to exceed 1 acre in size.
- 5) Surface contours rutted by heavy wheeled or track-type logging equipment shall be restored to pre-existing grade to the maximum extent practicable.
- 6) Prior to initial harvest, a minimum of three mature trees per acre shall be identified as den trees and left standing throughout all harvests. Upon their deaths, other mature trees shall be identified as den trees so that a minimum of three den trees per acre are present at all times.
- 7) Removal of insect-damaged, diseased, or storm-felled trees may be allowed subject to approval by the IRT.
- 8) Control of exotic/noxious plant species (e.g., Chinese tallow and black willow) shall be performed in planted tracts as needed until crown closure has occurred.
- 9) Following any timber harvest, Texada/NOD shall conduct a post-harvest inspection.

Implementation of the site restoration plan will meet the goals and objectives of the proposed mitigation area. The natural hydrologic regime of the site will be restored as a result of degrading the internal levees and constructing gaps in the external levee. Surface water will be able to flow un-inhibited across the site and travel off-site through the constructed gaps. Additionally, the constructed gaps would allow backwater flooding of the site from Wilbert Canal and the Parish Drainage Canal. The restoration

of the hydrologic regime will restore healthy nutrient and sediment levels through water surface flows, ground water transport, and seasonal rain input. Thus, enhancing flood storage, sediment retention, nutrient attenuation, and organic carbon transport.

Planting seedlings representative of the target timber types will rehabilitate and create a productive, self-sustaining BLH and baldcypress/tupelo gum forests. Rehabilitation and creation of forested wetlands on the proposed mitigation area site will provide habitat for both resident and migratory woodland bird species, as well as mammals, amphibian, and reptile species. As the forests mature, decaying leaves and wood will be a source of organic carbon.

4.2 Current Site Risks

Currently, there are no identifiable potential threats to the proposed mitigation site or the forest types that would be rehabilitated or created as part of the mitigation site. The forest types to be rehabilitated and created are indigenous to the area and grow well on the soil types found on the proposed mitigation site. Off-site hydrology is influenced by Wilbert Canal and a Parish drainage canal located adjacent to the south boundary of the site. The proposed mitigation site drains into the Parish drainage canal which drains into Wilbert Canal. During high water events, backwater from Wilbert Canal and the Parish drainage canal would enter the proposed mitigation site through gaps created in the external levee. Backwater would inundate the site until water levels in both Wilbert Canal and the Parish drainage canal recedes to a level that allows drainage of the proposed mitigation bank area. The gaps in the external level would be maintained to ensure this hydrologic connection between the proposed mitigation site and the canals is maintained. The gaps would be kept clear of debris and the elevation of the gaps would be maintained at grade.

No existing and/or proposed developments are located adjacent to the proposed mitigation site. No known development plans exist for the lands adjacent to the proposed mitigation site. The land uses adjacent to the site include rural agriculture and forestlands. The majority of these lands are owned by A. Wilbert's Sons, LLC, a local land management company.

A title opinion prepared by Mr. Dana Larpenteur (attorney) for Texada indicates Texada has a good and merchantable title to the property. A copy of the title opinion is included as Appendix B. There are no known mortgages, liens or other encumbrances on the property. A pipeline right-of-way is located along the northern boundary of the proposed mitigation site and the area occupied by the pipeline right-of-way was not included in the calculation of available mitigation acreage (see Figure 7). Also, the external levees and one levee bisecting to mitigation bank north to south were not included in the calculation of available mitigation acreage. Available mitigation acreage was calculated from the inside toe of the external levees.

4.3 Long-Term Sustainability of the Site

Once the 5-year success criterion is met the wetland mitigation bank would require very little human input. The soil types found on the site naturally support the forest types proposed for rehabilitation and creation on the proposed site. Restoration of the natural hydrologic regime would provide the hydroperiods suitable for the rehabilitation, creation and sustainability of BLH and baldcypress/tupelo gum forest types. Periodic timber thinning would be required to maintain the health and vigor of the rehabilitated forest community. Additionally, timber harvests would be required to promote regeneration of the rehabilitated and created forests. No fire lines would be required to protect the proposed mitigation site from wildfires as the plant community type and hydrologic conditions of the area do not readily burn.

The project sponsor would be responsible for monitoring levee gaps to ensure they remain free of debris and beaver dams. If the gaps become blocked with debris or beaver dams the sponsor would remove any blockage to maintain the bottom elevation of the gaps at natural ground elevations.

SECTION 5.0
PROPOSED SERVICE AREA



5.0 PROPOSED SERVICE AREA

The proposed mitigation area would provide mitigation credits to projects located in Hydrologic Units 0870300 (Lower Grand River) and 08090302 (West – Central Louisiana Coastal) as shown in Figure 11. Hydrologic Cataloging Unit 0870300 would be the primary service area and 08090302 would be a secondary service area. The proposed mitigation bank is located in Hydrologic Cataloging Unit 0870300 and would directly mitigate for wetland functions lost in the Unit. Hydrologic Cataloging Unit 08090302 is located adjacent to Hydrologic Cataloging Unit 0870300 and the units are hydrologically connected. Therefore, the proposed mitigation bank could mitigate for the loss of wetland functions in 08090302, if no mitigation banks of similar habitat type as a permitted project were available in this Hydrologic Cataloging Unit.



Figure 11: Hydrologic Cataloging Unit Map
Proposed Texada Mitigation Area II
T9S-R11E, Section 40
Plaquemine, Louisiana

SECTION 6.0
OPERATION OF THE MITIGATION BANK



6.0 OPERATION OF THE MITIGATION BANK

6.1 Project Representatives

Sponsor: *Texada Properties, Inc. (Mr. Harry W. Case, Jr. and Mr. Cyrus Case)*
57980 New Erin Drive
Plaquemine, LA 70764
(225) 687-2203

Agent: *Gulf South Research Corporation (Mr. Howard Nass)*
8081 GSRI Avenue
Baton Rouge, LA 70820
hnass@gsrcorp.com
(225) 757-8088

Landowner: *Texada Properties, Inc. (Mr. Harry W. Case, Jr. and Cyrus Case)*
57980 New Erin Drive
Plaquemine, LA 70764
(225) 687-2203

6.2 Qualifications of the Sponsor

Texada has an existing wetland mitigation area (Mitigation Area I) located immediately east of the mitigation area proposed in this Prospectus. Mitigation Area I included the same type of hydrologic restoration and rehabilitation of BLH and baldcypress/tupelo gum forest types as are proposed in this Prospectus. The wetland functions proposed for restoration as part of Mitigation Area I have been successfully met. The proposed mitigation area is an expansion of Mitigation Area I and the Sponsor has successfully implemented mitigation at Mitigation Area I.

6.3 Proposed Long-Term Ownership and Management Representatives

Texada would maintain long-term ownership of the proposed mitigation site. Texada would also be responsible for the long-term management of the proposed mitigation site. Texada established and manages Mitigation Area I located immediately east of the proposed mitigation site.

6.4 Site Protection

Texada would place the proposed mitigation area under a conservation servitude pursuant to the Louisiana Conservation Servitude Act (R.S. 9:1271 et seq.). The area to be placed under conservation servitude includes approximately 67 acres of BLH rehabilitation, 25 acres of baldcypress/tupelo gum rehabilitation, 14 acres of BLH creation, 3 acres of baldcypress/tupelo gum creation, 1 acre of existing pipeline right-of-

way, and 10 acres of non-wetlands, including the tops and inside slope of external levees. Approximately 109 acres of the area to be placed under a conservation servitude could be available for mitigation credit (Figure 10). The holder of the conservation servitude has not been identified at this time. The holder would be identified prior to the preparation of the Mitigation Banking Instrument.

6.5 Long-Term Strategy

Long-term management of the proposed mitigation site would include the maintenance of levee gaps and forest management practices (i.e. timber thinning and harvest) to maintain the health, growth, and vigor of the forested wetlands. The proposed mitigation bank would be monitored on a quarterly basis to ensure the levee gaps do not become plugged with debris and/or beaver dams. Chemical or physical controls would be used to control invasive species if they become established within the proposed mitigation bank. Establishment of invasive species would be most likely within the first 5 years of establishing the proposed mitigation site.

If the proposed mitigation site is not performing as anticipated, Texada will notify NOD as soon as possible. Texada would coordinate with NOD to develop appropriate solutions to address deficiencies in the mitigation project.

SECTION 7.0

REFERENCES



7.0 REFERENCES

- Code of Federal Regulation. 2008. *33 Code of Federal Regulation 332 – Compensatory Mitigation for Losses of Aquatic Resources*.
- U.S. Department of Agriculture (USDA). 2010a. Web Soil Survey. URL Address: <http://websoilsurvey.nrcs.usda.gov/app/HomePage.htm>. Last accessed November 17, 2010.
- USDA. 2010b. National Hydric Soils List by State. URL Address: <http://soils.usda.gov/use/hydric/lists/state.html>. Last accessed November 17, 2010.
- U.S. Fish and Wildlife Service (USFWS). 2011. State Fact Sheet - Louisiana. Prepared by Partners for Fish and Wildlife. URL address: www.fws.gov/southeast/es/partners/StateFactSheets/La_longv.pdf. Last accessed 21 June 2011.

APPENDIX A
DEPARTMENT OF THE ARMY PERMIT



DEPARTMENT OF THE ARMY PERMIT

Permittee Texada Properties, Inc.

Permit No. SW (Iberville Parish Wetlands)130

Issuing Office New Orleans District

NOTE: The term "you" and its derivatives, as used in this permit, means the permittee or any future transferee. The term "this office" refers to the appropriate district or division office of the Corps of Engineers having jurisdiction over the permitted activity or the appropriate official of that office acting under the authority of the commanding officer.

You are authorized to perform work in accordance with the terms and conditions specified below.

Project Description: Dredge for material to construct and maintain levees for a crawfish pond and install and maintain two pumps and a culvert, in accordance with the drawings attached, in three sheets, undated.

Project Location: In Iberville Parish, central to a point approximately 3.3 miles westerly from Plaquemines, Louisiana.

Permit Conditions:

General Conditions:

1. The time limit for completing the work authorized ends on October 31, 1990. If you find that you need more time to complete the authorized activity, submit your request for a time extension to this office for consideration at least one month before the above date is reached.
2. You must maintain the activity authorized by this permit in good condition and in conformance with the terms and conditions of this permit. You are not relieved of this requirement if you abandon the permitted activity, although you may make a good faith transfer to a third party in compliance with General Condition 4 below. Should you wish to cease to maintain the authorized activity or should you desire to abandon it without a good faith transfer, you must obtain a modification of this permit from this office, which may require restoration of the area.
3. If you discover any previously unknown historic or archeological remains while accomplishing the activity authorized by this permit, you must immediately notify this office of what you have found. We will initiate the Federal and state coordination required to determine if the remains warrant a recovery effort or if the site is eligible for listing in the National Register of Historic Places.

Encl 1

4. If you sell the property associated with this permit, you must obtain the signature of the new owner in the space provided and forward a copy of the permit to this office to validate the transfer of this authorization.

5. If a conditioned water quality certification has been issued for your project, you must comply with the conditions specified in the certification as special conditions to this permit. For your convenience, a copy of the certification is attached if it contains such conditions.

6. You must allow representatives from this office to inspect the authorized activity at any time deemed necessary to ensure that it is being or has been accomplished in accordance with the terms and conditions of your permit.

Special Conditions:

7. Permittee will install 100 wood duck boxes on the project site at locations approved by Louisiana Department of Wildlife and Fisheries and Corps of Engineers. Boxes will be constructed to Wildlife and Fisheries specifications and attached to 10-foot metal poles. An additional 50 boxes will be constructed and held for replacement or expansion as needed.

8. Permittee will plant 500 nuttall oaks and 500 native pecans on the project site at locations approved by Louisiana Department of Wildlife and Fisheries and Corps of Engineers.

Special Conditions continued on page 4

Further Information:

1. Congressional Authorities: You have been authorized to undertake the activity described above pursuant to:

() Section 10 of the Rivers and Harbors Act of 1899 (33 U.S.C. 403).

(X) Section 404 of the Clean Water Act (33 U.S.C. 1344).

() Section 103 of the Marine Protection, Research and Sanctuaries Act of 1972 (33 U.S.C. 1413).

2. Limits of this authorization.

a. This permit does not obviate the need to obtain other Federal, state, or local authorizations required by law.

b. This permit does not grant any property rights or exclusive privileges.

c. This permit does not authorize any injury to the property or rights of others.

d. This permit does not authorize interference with any existing or proposed Federal project.

3. Limits of Federal Liability. In issuing this permit, the Federal Government does not assume any liability for the following:

a. Damages to the permitted project or uses thereof as a result of other permitted or unpermitted activities or from natural causes.

b. Damages to the permitted project or uses thereof as a result of current or future activities undertaken by or on behalf of the United States in the public interest.

c. Damages to persons, property, or to other permitted or unpermitted activities or structures caused by the activity authorized by this permit.

d. Design or construction deficiencies associated with the permitted work.

e. Damage claims associated with any future modification, suspension, or revocation of this permit.

4. Reliance on Applicant's Data: The determination of this office that issuance of this permit is not contrary to the public interest was made in reliance on the information you provided.

5. Reevaluation of Permit Decision. This office may reevaluate its decision on this permit at any time the circumstances warrant. Circumstances that could require a reevaluation include, but are not limited to, the following:

a. You fail to comply with the terms and conditions of this permit.

b. The information provided by you in support of your permit application proves to have been false, incomplete, or inaccurate (See 4 above).

c. Significant new information surfaces which this office did not consider in reaching the original public interest decision.

Such a reevaluation may result in a determination that it is appropriate to use the suspension, modification, and revocation procedures contained in 33 CFR 325.7 or enforcement procedures such as those contained in 33 CFR 326.4 and 326.5. The referenced enforcement procedures provide for the issuance of an administrative order requiring you to comply with the terms and conditions of your permit and for the initiation of legal action where appropriate. You will be required to pay for any corrective measures ordered by this office, and if you fail to comply with such directive, this office may in certain situations (such as those specified in 33 CFR 209.170) accomplish the corrective measures by contract or otherwise and bill you for the cost.

6. Extensions. General condition 1 establishes a time limit for the completion of the activity authorized by this permit. Unless there are circumstances requiring either a prompt completion of the authorized activity or a reevaluation of the public interest decision, the Corps will normally give favorable consideration to a request for an extension of this time limit.

Your signature below, as permittee, indicates that you accept and agree to comply with the terms and conditions of this permit.

Harry W. Case, Jr.
(PERMITTEE)

10-12-87
(DATE)

This permit becomes effective when the Federal official, designated to act for the Secretary of the Army, has signed below.

Henry R. Schorr
(DISTRICT ENGINEER)

October 15, 1987

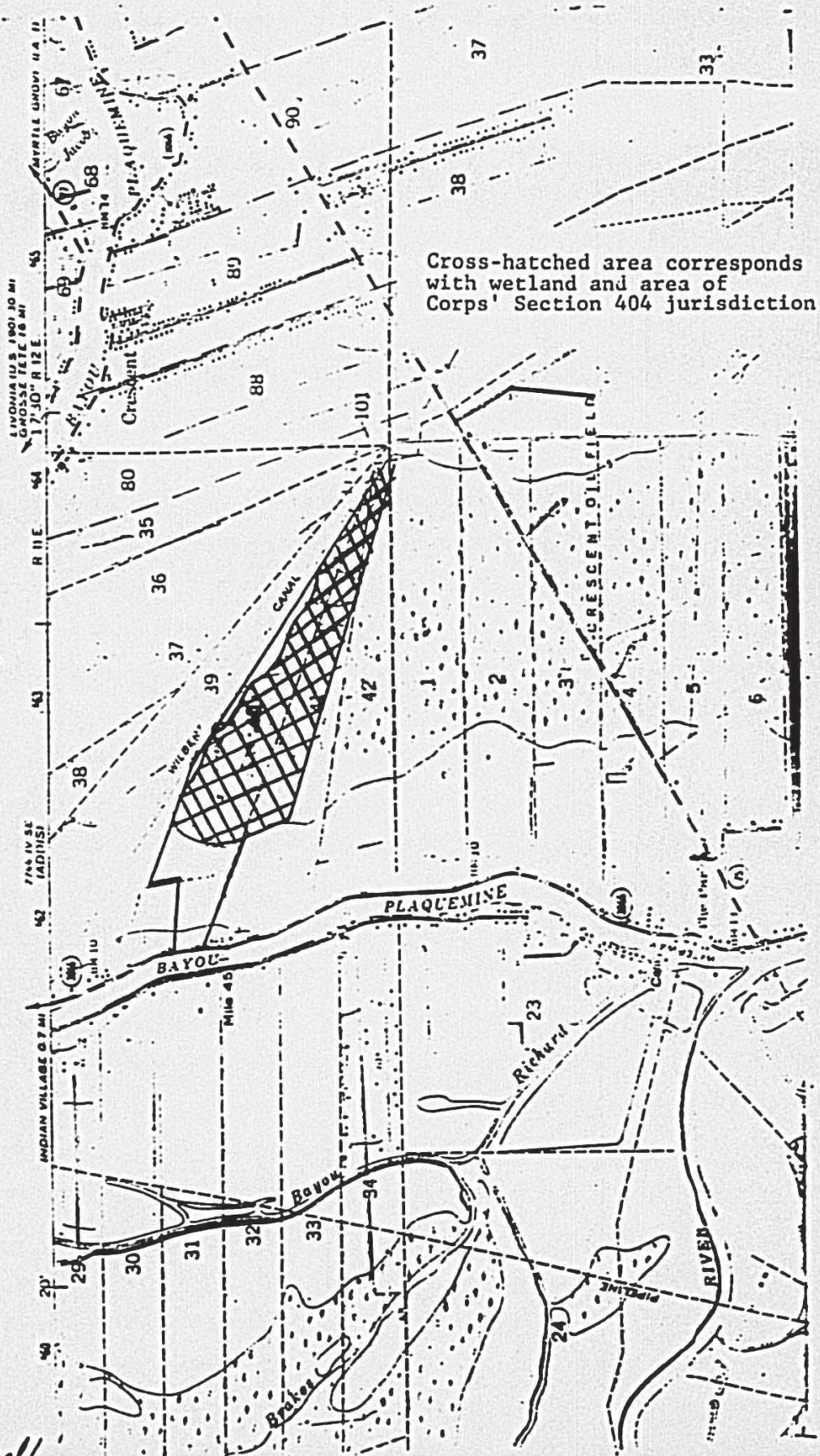
(DATE)

Henry R. Schorr, Assistant Chief, Operations and Readiness Division
for Lloyd K. Brown, District Engineer

When the structures or work authorized by this permit are still in existence at the time the property is transferred, the terms and conditions of this permit will continue to be binding on the new owner(s) of the property. To validate the transfer of this permit and the associated liabilities associated with compliance with its terms and conditions, have the transferee sign and date below.

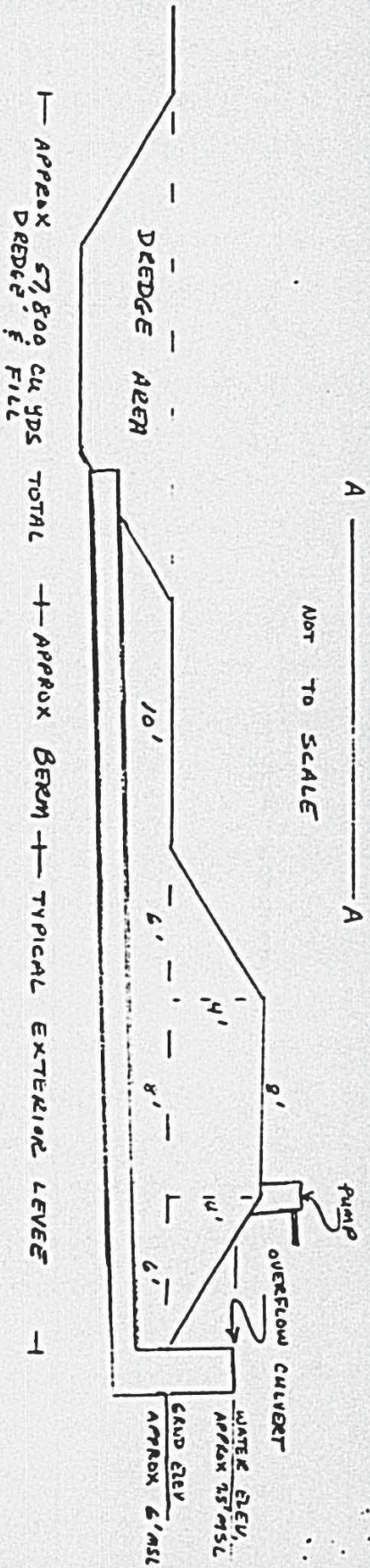
(TRANSFeree)

(DATE)

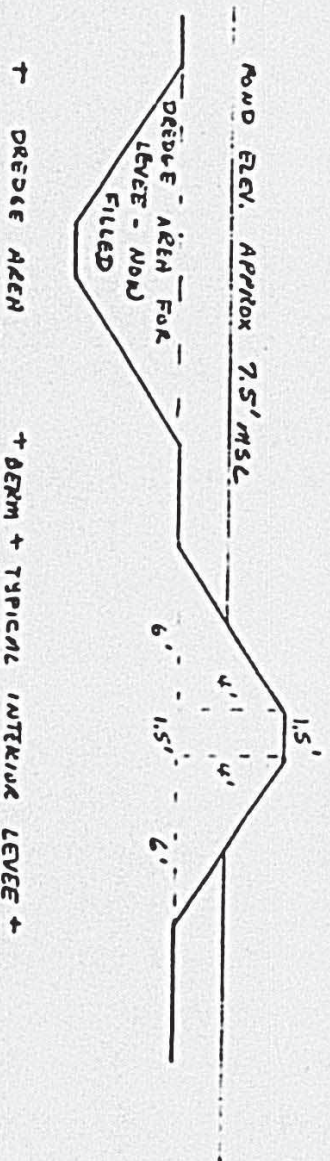


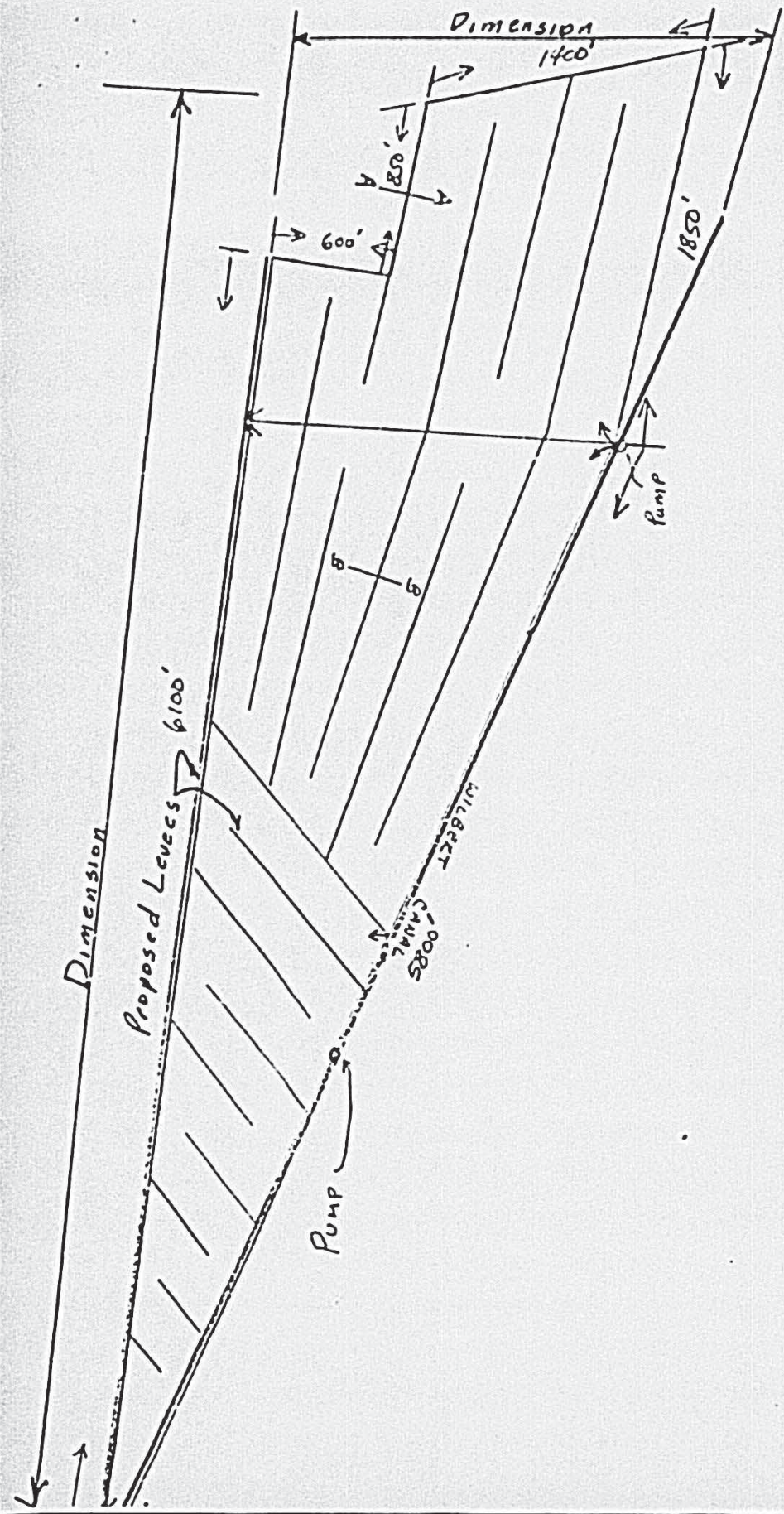
End to end

A _____ A
NOT TO SCALE



B _____ B
NOT TO SCALE





SCALE 1" = 660'

APPENDIX B
TITLE OPINION



DANA K. LARPENTEUR

ATTORNEY AT LAW

FAX:
225-687-6276
E-Mail: Dana@LarpLaw.com

58060 COURT STREET
POST OFFICE BOX 793
PLAQUEMINE, LOUISIANA 70765-0793

TELEPHONE:
225-687-4344

November 18, 2010

U.S. Army Corps of Engineers

Re: Title Opinion on Texada Properties, LLC Mitigation Area

Dear Sir

At your request, I have made an examination on the title to the property described herein and on the attached Maps of property in the Parish of Iberville, Louisiana, a certified copy of which is enclosed. The property is more particularly described as follows, to-wit:

Two certain tracts or parcels of land lying, being and situated in the Parish of Iberville, state of Louisiana, in Section 40, T-9-S, R-11-E in and around Plaquemine, Louisiana, and being more particularly indicated on a map and/or schematic drawing attached hereto and entitled "*Figure 3: Management Unit Map, T9S-R11E, Section 40, Plaquemine, Louisiana*" (herein sometimes referred to as "*GSRC Map*") by GSRC (Gulf South Research Corporation) dated September, 2010, GSRC # 80549101. Said certain tracts or parcels of land are more particularly described on said GSRC Map as "*Management Unit #1*" and "*Management Unit # 2*".

Said "*Management Unit #1*" and "*Management Unit # 2*" are portions two (2) larger tracts of land all belonging to Texada Properties, Inc. Said larger tracts which contain "*Management Unit #1*" and "*Management Unit # 2*" are more particularly described as follows:

Tract 1-Consolidated Tract containing approximately 157.47 acres more or less and being more particularly described on a map of survey entitled "*Map Showing Survey of a tract of land located in Section 40, T-9-S - R-11-E, West of the Mississippi River, Iberville Parish, La.*" By Alton F. Anderson, Registered Land Surveyor, #240, dated February 3, 1986, attached hereto. Said Consolidated Tract having such measurements and dimensions and being subject to such servitudes as are more particularly described on said map. Particularly subject to that pipeline right of way along the Northern boundary of said tract all as shown on said map.

Tract 2 -41.57 Acre Tract containing approximately 41.57 acres more or less and being more particularly described on a map of survey entitled "*Map Showing Survey and Partition of the Etuel Case Property Being the Upper One-half of Section 41, T9s - R11E, Iberville Parish, Louisiana*" by Alton F. Anderson, Registered Land Surveyor,

#240, dated April 9, 1986, attached hereto. Said 41.57 Acre Tract having such measurements and dimensions and being subject to such servitudes as are more particularly described on said map.

Said "*Management Unit #1*" and "*Management Unit # 2*" consisting only of those dimensions as indicated on the "*GSRC Map*".

My examination of the title to this property was conducted according to the indices of the Conveyance Records of Iberville Parish, for a period of time Sixty (60) years last past and in my opinion, Texada Properties, Inc. has a good and merchantable title to the property, subject to the following:


1. This examination did not include an investigation as to the possession and occupancy of the property, nor as to any recent construction for which mechanics, materialmens or laborers liens may yet be filed, nor as to assessments and servitudes, which do not appear of record, but which may be indicated by an inspection of the property, nor is there included in this opinion any certification as to area, dimensions, boundary or other matters which can be ascertained only by an accurate survey of the property.
2. My opinion as to the validity of said title is predicated on the assumption that the present owners and their authors in title have had actual physical possession of said property for a period of at least nineteen (19) years last past, and particularly that there has been no possession of said property adverse to said owners.

An examination of the mortgage records of Iberville Parish, Louisiana, according to an abstract thereof, covering a period of time deemed by me to be sufficient, in the name of the record owner of the property with the purpose of disclosing any valid mortgages, liens or other encumbrances, disclosed none except:

NONE

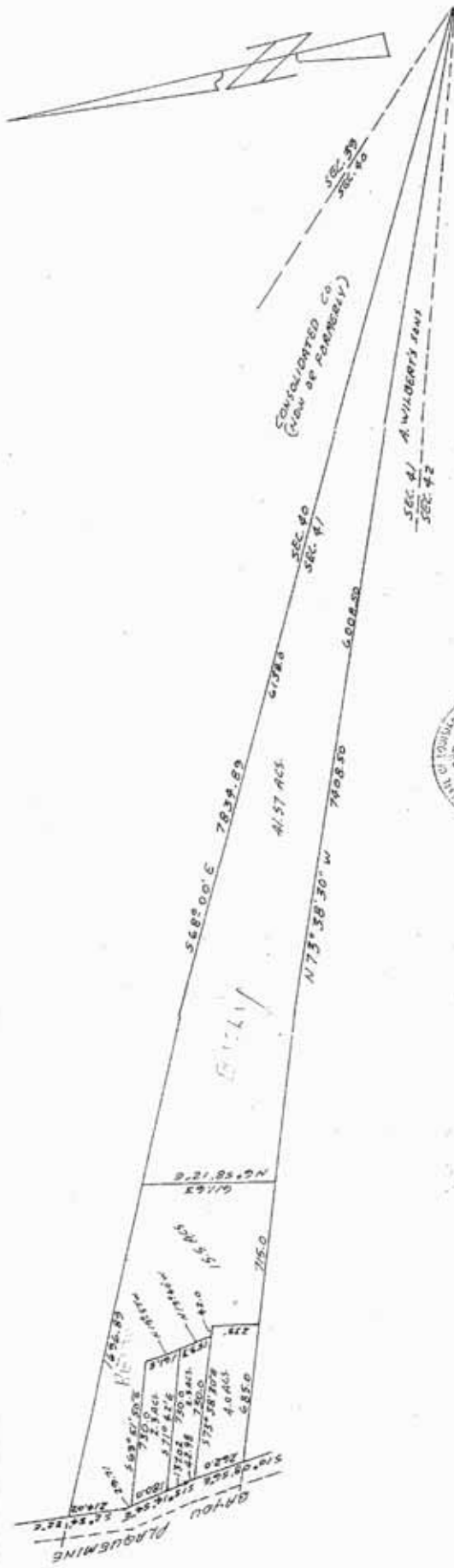
This title opinion does exclude any unrecorded mortgages, liens or other encumbrances which would effect the subject property.

Very truly yours,



DANA K. LARPELTEUR

DKL/arm
Enclosures



MAP SHOWING SURVEY

AND

PARTITION OF THE STEEL CASE PROPERTY BEING THE UPPER ONE-HALF OF SECTION 41, T 5 - R 11 E,
 IBERVILLE PARISH, LOUISIANA.

LA. REG. NO. 240

SCALE: 1" = 400'

