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Prospectus

For the
Crimson Ridge
Wetland & Stream Mitigation Bank



December 2012

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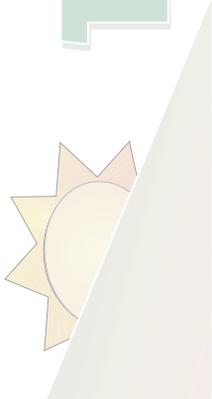
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I. INTRODUCTION

The Sponsor, Habitat-Kansas, LLC, owns approximately 38.01 acres of land, including the water rights, in the City of Shawnee in Johnson County, Kansas for which the Sponsor has developed a preliminary mitigation plan to restore, establish, enhance and maintain stream systems and wetlands. The approximate center point of the proposed Crimson Ridge Wetland and Stream Mitigation Bank (the Bank) is at 39.047° North 94.848° West, which is generally located north of the intersection of 47th Street and Anderson Street in Shawnee (Image 1). The Bank is located in the southwest quarter of Section 34, Township 11 South, Range 23 East. As shown in Image 2, the north boundary is a railroad right-of-way, the western boundary of the northern portion of the site borders agricultural properties and the remaining boundaries are adjacent to residential properties.

The location of the Bank has influenced its pre-settlement ecological condition and its current state. Geomorphically, the Bank exists as bottomland at the edge of the Kansas River floodplain in addition to two stream corridors residing on the adjacent hillside. This landscape position meant that the site's pre-settlement physical and biological state would have been largely shaped by the alluvial processes of the Kansas River as well as those of the tributary streams in addition to the general conditions of the surrounding drainage area. As a result, before settlement and conversion of the surrounding drainage area first to agriculture and then to residential development, the Bank would have existed predominately as natural floodplain and riparian habitat. After settlement by people of European ancestry, the construction of the Kansas River levee diminished the hydrologic influences on the site and therefore likely decreased the amount of floodplain wetlands. Removal of the old growth trees and conversion of the site and its surrounding drainage area to agricultural row crop fields and pastures then diminished and in some areas completely removed the riparian corridor. Within the floodplain, the construction of the railroad involved the channelization of the stream immediately north of the property. This change to the physical nature of the stream resulted in the incision of its channel which then migrated upstream onto the Bank, degrading in-stream habitat and reducing the amount and frequency of overbank flows. Urbanization of the surrounding areas then led to increased surface water flows carrying a variety of common residential pollutants into already impacted streams and riparian corridors. All of these factors contributed to the current state of the Bank with its highly incised stream channels, eroding banks, lack of fully functional riparian corridors and in-stream habitat and reduced amount of floodplain wetlands. The establishment of a wetland and stream mitigation bank in this location presents an opportunity to increase the quality and quantity of the in-stream, riparian and wetland habitats at this site which will enhance the benefits to humanity provided by these natural systems, including water quality improvement. In addition, the proposed mitigation activities will help to protect these stream, wetland and riparian resources from the additional degradation that will occur as this watershed continues to undergo urban development.



Image 1. Location of Crimson Ridge Wetland & Stream Mitigation Bank

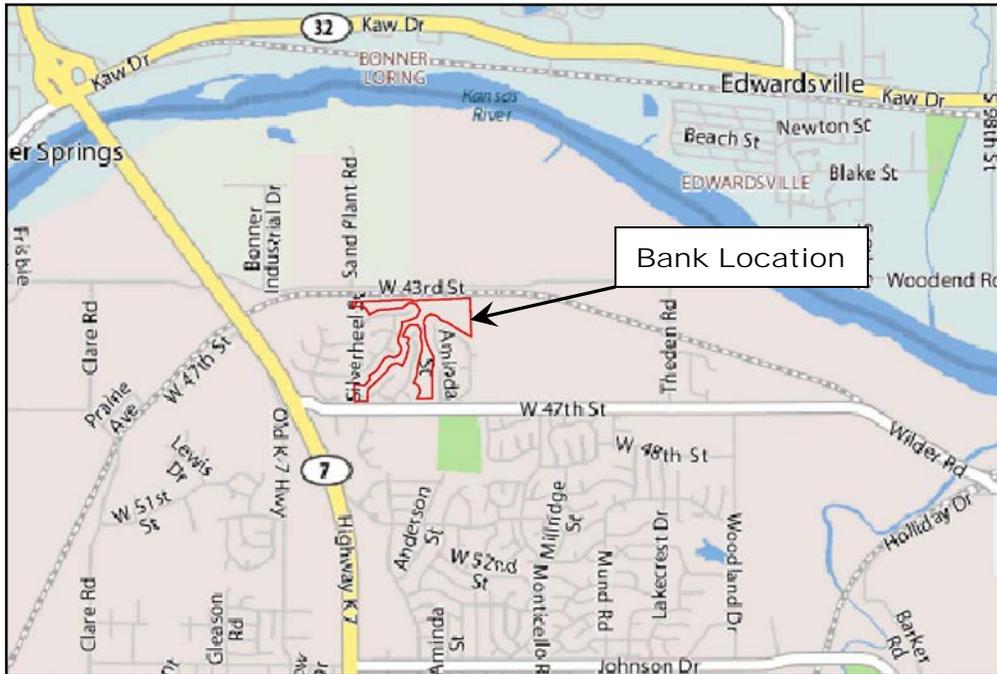


Image 2. Approximate Bank Boundary



Driving directions to the site are as follows. From Interstate 70 East, take exit 224 for Kansas State Highway 7 toward U.S. Highway 73/Bonner Springs/Leavenworth.



Travel approximately 0.6 mile, keep left at the fork in the road and follow the signs for Bonner Springs/Olathe. Turn left onto Kansas State Highway 7 South and travel approximately 4.2 miles south to 47th Street. Turn left onto 47th Street and travel approximately 0.4 mile east to Anderson Street. The Bank is located in the green space between the residential properties on both sides of Anderson Street.

II. OBJECTIVES

The Sponsor has proposed the creation of the Crimson Ridge Wetland and Stream Mitigation Bank which will be approximately 38.01 acres in area. The goal of this Bank is to improve the chemical, physical and biological integrity of aquatic habitats in the watershed through the restoration of lost aquatic and riparian habitats and their ecosystem functions, the enhancement of existing aquatic resources and the prevention of future aquatic resource impairment. To achieve this goal, the Sponsor proposes to undertake the following objectives:

- Restore 14.39 acres of riparian buffer
- Enhance 9.44 acres of existing riparian buffer
- Establish 4.57 acres of forested wetlands
- Enhance 0.10 acre of existing forested wetlands
- Enhance 0.03 acre of existing scrub-shrub wetlands
- Enhance 0.01 acre of existing herbaceous wetlands
- Enhance 9.47 acres of existing forested upland buffer

The aquatic benefits provided by the planned mitigation activities will compensate for the loss of such habitats within the geographic service area of the Bank. In addition, the proposed stream mitigation activities will improve the chemical, physical, and biological integrity of the Nation's waters. The streams within the Bank are currently readjusting their physical nature in response to the changing watershed conditions caused by urban development. After incising, their banks are eroding to create a new floodplain area within the existing channels. This channel evolution process often takes several decades to complete all while transporting sediment downstream and disrupting the natural habitat of a stable stream. The large amounts of sediment transported offsite are flowing into the Kansas River which is on the 303(d) list for total suspended solids. Moreover, the increase of impervious surfaces in the Bank's drainage area have intensified the amount of storm runoff and reduced percolation of rainwater into the soil. Because of this, the magnitude and duration of low flows and pool levels in the area's streams have decreased. It should also be recognized that there are still undeveloped areas within the Bank's immediate watershed that will likely be developed in the near future which will further exacerbate these problems.

The Bank's suburban location is beneficial because it will help to maintain mitigation assets close to the developed areas where most impacts occur. Additionally, the Kansas Stream Mitigation Guidance encourages stream mitigation



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within areas of active development by granting such sites secondary priority area status as stream reaches within high growth areas that are not ranked as primary priority areas (Johnson County in this case). The Corps makes the final decision regarding the designation of any such high growth area as a secondary priority area.

The proposed mitigation activities will improve water quality by increasing the retention of sediments, filtering surface and subsurface water that drains across the property and by storing and treating water within wetlands. Sediments will be retained as a result of stream bank stabilization and the installation of engineered rock riffles that will function as grade control structures while allowing passage of normal stream flows and aquatic organisms. These engineered rock riffles will minimize future stream incision and the resulting erosion which will reduce the amount of sediment flowing into the Kansas River. Additionally, they will improve in-stream habitat. Highly eroding stream banks will be armored with a rock toe and the stream banks will be graded back and planted with appropriate beneficial native species generating functional riparian habitat and stream banks. When combined, all of these in-stream improvements will help to stabilize the streams and prevent them from further incising and eroding. This will help to limit the amount of sediment reaching the Kansas River which is already impaired by the amount of total suspended solids. In addition to the immediate lift in habitat and water quality, the in-stream improvement will also help to prevent future stream channel degradation by keeping the stream stable when future urbanization creates even higher storm flows. All the proposed mitigation activities (riparian corridor restoration, riparian corridor enhancement, forested wetland establishment, forested wetland enhancement, scrub shrub wetland enhancement, herbaceous wetland enhancement and stream channel restoration) are practices that are needed in the Kansas River watershed to prevent erosion, capture sediment from upstream sources, address water quality problems and improve stream bank stability.

The Riparian Buffer Restoration areas will be improved through the complete planting of beneficial tree and shrub species as well seeding the area with a native prairie. Once mature, the planted tree and shrub species will provide a lift to wildlife habitat through the production of additional food and shelter. In the interim, the prairie grasses propagated on the Bank will create wildlife habitat and will improve groundwater infiltration and therefore supplement the local groundwater delivered to onsite streams between storm events which will help to maintain aquatic habitat in the streams during dry times. Specifically, the Riparian Buffer Restoration areas will be seeded with a native prairie seed mix and trees and shrubs will be planted on 20-foot spacings.

The Riparian Buffer Enhancement and Upland Forest Buffer Enhancement areas within the Bank play an important part in the achievement of the Bank objectives. The inclusion of these areas improves the ability of the Bank to restore and maintain the chemical, physical and biological integrity of the Nation's waters by buffering the onsite wetlands and stream systems from the adjacent land surrounding the Bank, allowing for the protection of both sides of 6,200 linear feet of streams that flow across the site and the natural watershed conditions within the upland areas.



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These enhancement areas provide many important ecosystem functions including streambank stabilization, the production of organic matter important for aquatic habitats on the Bank and in downstream waters, erosion control, nutrient processing, wildlife habitat and water temperature control through shading. Nutrient processing will be a large role for the Riparian and Upland Buffers as the Bank is likely to receive nutrients in the form of fertilizer runoff from the adjacent residential lawns. The Riparian Buffer Enhancement and Upland Forest Buffer Enhancement areas will be improved through the planting of additional beneficial tree and shrub species that will provide a lift to wildlife habitat through the production of additional food and shelter. The Riparian Buffer Enhancement areas, as well as the Upland Buffer Enhancement areas, will be enhanced by planting more than 10% of the area to improve wildlife habitat as allowed in the Kansas Stream Mitigation Guidance. Ten percent of a full planting (defined as trees and shrubs planted on 20-foot spacing) is equal to 11 trees per acre while the Sponsor plans a 16% replacement planting of trees in these areas. These Riparian Buffer areas will then be legally preserved in perpetuity along with the rest of the Bank, which allows the Sponsor to improve and then protect both sides of every stream on the property. Selective thinning of early successional species such as honey locust (*Gleditsia triacanthos*) and Osage orange (*Maclura pomifera*) which are common throughout the Bank and the planting of mast-producing hardwood species and other valuable wildlife plantings throughout all Upland Buffer Enhancement areas would be valuable at this site based on vegetative assessments. Tree and shrub planting lists in these areas are based on species that are mast-producing or bear fruit or otherwise provide wildlife habitat. Survival data will be taken to ensure that planted trees and shrubs will be replaced if too many are lost to wildlife damage and other sources of mortality. Undesirable plant species will be managed as described in the Operation and Maintenance Plan for the site as described in the Final Mitigation Banking Instrument.

The proposed construction, habitat establishment, enhancement, and management activities will function to meet the Bank's objectives. Removal of invasive species and planting of native herbaceous & woody species will restore impaired resources and will result in a net increase of the aquatic and upland habitat at the site. Installation of engineered rock riffles within the intermittent and ephemeral stream channels will address current stream instability and will create valuable pool-riffle habitat. In addition, these habitat structures will prevent future stream degradation that will occur when the rest of these streams' watersheds become fully developed. The proposed stream bank stabilization, grade control and riparian corridor restoration and enhancement will prevent aquatic impairment from excess runoff and sedimentation. All of these activities are in accordance with the provisions of the Bank Development Plan located in Appendix C. The Sponsor shall then maintain the Bank as natural habitat in perpetuity.

III. ESTABLISHMENT AND OPERATION

The Bank will be established by approval of the Final Mitigation Banking Instrument which will serve as a binding agreement regarding the establishment,



use, operation and maintenance of the Crimson Ridge Wetland and Stream Mitigation Bank and will be made and entered into, by, and among the Sponsor and the members of the Interagency Review Team (IRT). The IRT will be chaired by the Kansas City District of the U.S. Army Corps of Engineers (Corps) and will also include as members the U.S. Environmental Protection Agency (EPA), the U.S. Fish and Wildlife Service (FWS) and the Kansas Department of Wildlife, Parks and Tourism (KDWPT).

The Final Mitigation Banking Instrument will become valid on the date of the last signatory's signature. The Final Mitigation Banking Instrument may be amended or modified with the written approval of all signatory parties as described in the Corps' and EPA's joint regulation for *Compensatory Mitigation for Losses of Aquatic Resources* (33 CFR Part 332.8(d)). Any of the IRT members may terminate their participation upon written notification to all signatory parties. Participation of the IRT members will terminate 30 days after written notification.

The Sponsor shall create the wetland and stream habitats shown on the Bank Development Plan in Appendix C or as shown in the subsequent As-Built Figure and shall operate the Bank in accordance with the provisions of the Final Mitigation Banking Instrument. The Sponsor shall receive wetland and stream credits upon satisfaction of the ecological performance standards outlined in the Final Mitigation Banking Instrument. The credit release schedule shall be tied to the achievement of performance-based milestones such as site grading, planting and the establishment of specified habitats as described in the mitigation plan. The credit release schedule will be determined based on several factors such as, but not limited to, the method of compensatory mitigation (restoration, establishment, enhancement or preservation), the likelihood of success, the amount of work needed to generate the credits and the aquatic resource types and function(s) to be provided by the project. Credits will be sold to third parties at an appropriate market rate to be determined by the Sponsor. In addition, the sale of wetland and stream credits available at the Bank will only pertain to the mitigation requirements of the Department of the Army permit issued under the authorities of Section 404 of the Clean Water Act and/or under Section 10 of the Rivers and Harbors Act of 1899. Additional mitigation requirements may be necessary to comply with other federal, state, and/or local statutes and regulations.

To the extent that specific language in this document changes, modifies, or deletes terms and conditions contained in those documents that are incorporated into the Mitigation Banking Instrument by reference, and that are not legally binding, the specific language within the Mitigation Banking Instrument shall be controlling. If any provision or provisions of this Mitigation Banking Instrument shall be held to be invalid, illegal, unenforceable or in conflict with the law of any jurisdiction, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby unless the deletion of such provision or provisions would result in such a material change so as to cause completion of the responsibilities described in this document to be unreasonable.



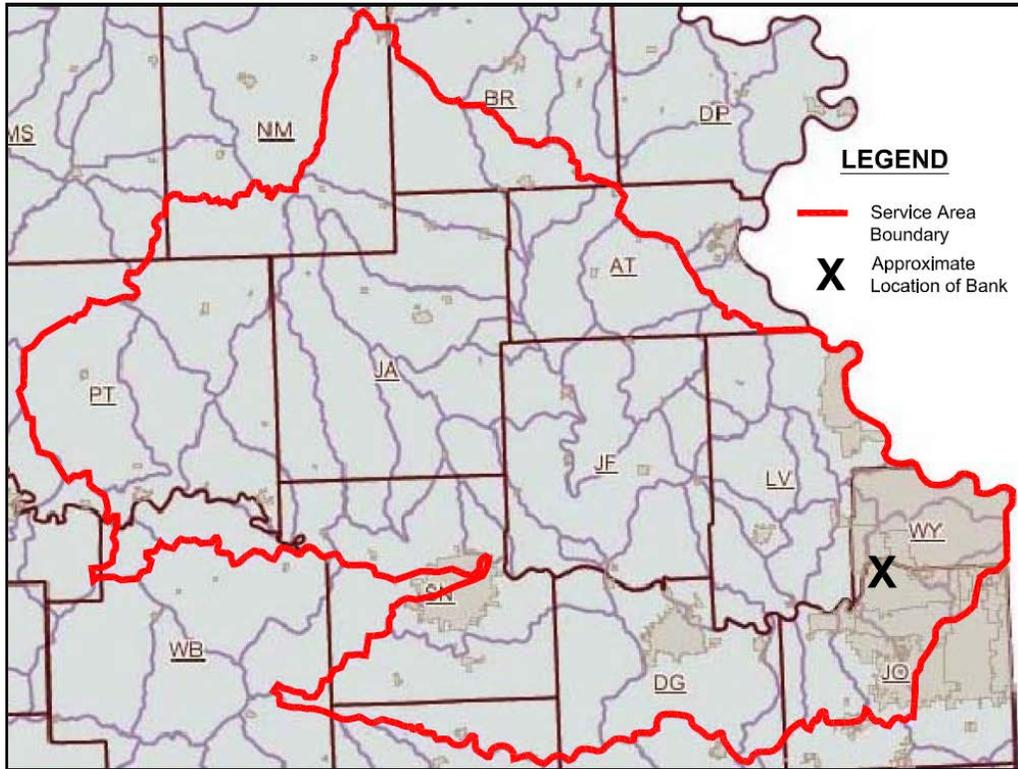
This Prospectus addresses all requirements of a complete Prospectus as described in the Corps' *Mitigation Banking Instrument Outline for Proposed Mitigation Banks within the State of Kansas* dated February 2012 in addition to some supplemental information provided by the Sponsor. After this Prospectus has been placed on Public Notice and the public comments have been submitted to the Sponsor, the Sponsor will submit the Draft Mitigation Banking Instrument which will include the information required by the *Mitigation Banking Instrument Outline for Proposed Mitigation Banks within the State of Kansas* dated February 2012 which includes but is not limited to the baseline information, determination of credits, mitigation work plan, ecological performance standards, monitoring requirements, management plans, financial assurances, credit release schedule and default and closure provisions. The Sponsor will also include a geomorphic study of the streams and typical details of any engineered habitat improvements. The amount of stream credits granted to the Sponsor will be determined by the Corps and IRT and will be proportionate to the amount of functional lift accomplished at the site which will be calculated through the use of the Kansas Stream Mitigation Guidance. Wetland credits will be determined on an acreage basis depending on the type of mitigation activity (establishment, restoration or enhancement). The Corps and IRT will then have the opportunity to comment on the Draft Banking Instrument. The Sponsor will then incorporate the comments into and submit the Final Banking Instrument for Corps and IRT review.

IV. SERVICE AREA

The proposed service area of the Bank is the 10270104 Lower Kansas 8-digit Hydrologic Unit Code (HUC) watershed in which the Bank is located as well as the two adjacent 8-digit HUC watersheds (10270103 Delaware and 10270102 Middle Kansas) that are within the same 6-digit HUC watershed, excepting all of the following 11-digit HUCs: 10270102010, 10270102080, 10270102090, 10270102100 and 10270102120. The service area also includes the entire 10300101 HUC watershed within Wyandotte County and the portion of the 10240011 HUC watershed within Wyandotte and Leavenworth Counties. The boundaries of this service area are shown below in Image 3 along with the approximate location of the Bank. On a case-by-case basis the Corps, in consultation with the IRT, may approve mitigation credits at the Bank to be sold to offset impacts from Department of the Army permit impacts that occur outside this Bank's service area. If determined appropriate, the Corps will determine the number of credits needed to be purchased at the Bank in order to adequately replace the aquatic resources lost at the Department of the Army permit site.



Image 3. Crimson Ridge Wetland & Stream Mitigation Bank Service Area Boundary & Approximate Bank Location



V. GENERAL NEED & TECHNICAL FEASIBILITY

Numerous historical and current threats to aquatic resources within the watershed necessitate the proposed aquatic resource improvements. Threats to aquatic resources in the Lower Kansas River watershed include, but are not limited to excessive nutrient loading, stream bank erosion, land clearing, increased runoff due to urbanization, invasive species, increased sediment loading, reduction of historical water levels, water pollution, and inadequate riparian corridors. Within the Kansas River watershed the two major reservoirs, Perry Lake and Clinton Lake, have impounded nearly one hundred miles of the Wakarusa River, Delaware River and their tributaries. Impoundment of these streams has eliminated pool and riffle complexes which are vital special aquatic sites for lotic organisms. Other causes of historical habitat loss within the Bank’s watershed include agricultural conversion, urbanization and sedimentation caused by detrimental land use practices. Before settlement by people of European ancestry, the most prominent habitat feature within the watershed was prairie with tree cover focused next to streams and rivers. Continued agricultural activities and rapid urbanization are the dominant current land use trends within the watershed which contains the urban areas of Johnson County, Topeka, Lawrence, and Kansas City, Kansas, which are four of the largest urban areas in the state. Wyandotte and Johnson County in the Kansas City metropolitan area are the two most heavily urbanized areas in the watershed. The



population of Johnson County has grown by nearly 400% over the last 50 years and Wyandotte County, whose population has actually decreased during that time period, is nearly completely urbanized (KWO, 2009). Prior to passing of the Clean Water Act and Federal Emergency Management Agency regulations regarding development within the floodplain, wetlands and streams within the watershed were impacted without regulation and the amount of wetlands, streams and wildlife habitat were significantly reduced. For all of these reasons, the proposed service area has a significant need for wetland and stream compensatory mitigation.

The Bank's proposed establishment, restoration, and enhancement activities are technically feasible. With an herbicide application program, invasive species control through manual and mechanical means, and minimal seeding, grading and labor, the Bank site can be planted with native trees and herbaceous plants to create diverse riparian and wetland habitats that will improve water quality and wildlife habitat. Only herbicides approved by the EPA for use in and around water will be used. The Bank site is ecologically suitable for stream and riparian corridor restoration and wetland establishment. It contains long stretches of intermittent and ephemeral streams that have degraded riparian corridors and require in-stream restoration to re-establish proper hydrologic and hydraulic functioning. The presence of wetlands in the low-lying areas as well as the presence of areas of mapped hydric soils shows that minimal earthwork can expand these wetlands, therefore increasing runoff storage, aquatic habitat and the nutrient processing that occurs as a result of water-soil contact. As a result, the parcel has significant potential for restoring riparian corridors along these stream systems and increasing wetland acreage, which will improve both the aquatic habitat value of the Bank and the quality of the water that flows through the Bank.

VI. OWNERSHIP & LONG-TERM MANAGEMENT

Habitat-Kansas, LLC owns approximately 38.01 acres of land that includes the Bank, including the water rights, in Shawnee, Johnson County, Kansas. To ensure that the Bank remains as natural habitat in perpetuity, the entire area will be protected by means of conservation easement which will preserve the Bank lands as undeveloped wildlife habitat. A draft conservation easement is included in Appendix D. The terms of the easement will be enforceable by the Corps and the Midwest Mitigation Oversight Association, a non-profit group that will hold the conservation easement and will monitor the Sponsor's compliance with the conditions of the easement. After the Bank is approved, copies of the finalized and recorded conservation easement shall be provided to the Corps.

The Midwest Mitigation Oversight Association is a conservation-based non-profit corporation established in 2007 with the sole purpose of holding and monitoring natural resource mitigation conservation easements. The Midwest Mitigation Oversight Association has been approved by the Kansas City, St. Louis & Little Rock Districts of the U.S. Army Corps of Engineers as a legally-binding recipient of conservation easements for mitigation sites and currently holds easements on



thousands of acres of federal mitigation parcels in Missouri and Kansas. The board of directors consists of professionals whom all meet stringent requirements in order to be on the board, including the possession of a broad scientific background related to natural resources, conservation science or applied ecology. These board members have experience as natural resource professionals and one is a former regulatory official. The board members have more than fifty combined years of experience in wetland and stream regulations, maintenance and construction.

There are no short-term or long-term plans to transfer title of the property to another party. It is the intention of the Sponsor to maintain the property in perpetuity as highly functioning habitat in accordance with the terms of the long-term management plan and the conservation easement. The conservation easement shall restrict any development of the site in perpetuity and shall stay with the property in the instance that the title to the property is transferred to another party. The Sponsor has included as Appendix F the draft Mutual Cooperation Agreement between itself and the Crimson Ridge Homes Association which describes terms of the future coexistence between the Bank and the adjacent residences.

Routine maintenance of the Bank property will continue for a minimum of fifteen years after approval of the final mitigation banking instrument or until all credits have been released (unless the remaining credits are indefinitely suspended or removed), whichever is later, at which point the ecosystems on the property will be self-sustaining and self-regulating.

VII. SPONSOR QUALIFICATIONS

The Sponsor is an organization dedicated to ownership and stewardship of open land with the goal of improving wildlife habitat and ecosystem services within the State of Kansas. Technical services related to project planning and design as well as construction oversight and monitoring of the Bank will be contracted to the scientists and engineers at Terra Technologies, Inc. (Terra Technologies) by the Sponsor.

Terra Technologies is an environmental engineering company with offices in Leawood, Kansas and St. Louis, Missouri. The firm has significant experience with wetland and stream compensatory mitigation projects with approximately 600 successful mitigation sites in Missouri and Kansas since the company's founding more than twenty years ago. Additionally, Terra Technologies has designed, provided construction oversight, and monitors four existing approved wetland and stream mitigation banks within the Kansas City District. Project descriptions of these mitigation banks are included in Appendix E. These approved wetland and stream mitigation banks together encompass roughly 262 acres and include more than 70 acres of floodplain establishment, restoration and enhancement, not including many acres of wetlands established within riparian buffers that function solely as stream mitigation. These approved mitigation banks have also protected both sides of 2.7 miles of streams and almost three miles of streams on one side and have expanded



riparian buffers with more than 126 acres of new riparian buffer plantings. Terra Technologies has also provided the same services for four proposed wetland and stream mitigation banks in the Kansas City District and two proposed wetland and stream mitigation banks in the Little Rock District under current review that are either entirely or partially constructed.

The licensed professional engineers and biologists at Terra Technologies have significant experience in stream design, restoration, stabilization and enhancement as they have designed stream improvements for many projects throughout Missouri and Kansas including projects for the City of Leawood, Kansas; the City of Overland Park, Kansas; the City of Merriam, Kansas; the City of Shawnee, Kansas; the City of Lawrence, Kansas; the City of Independence, Missouri; the City of Blue Springs, Missouri; the City of St. Charles, Missouri; the Metropolitan St. Louis Sewer District, and; the U.S. Army Corps of Engineers Kansas City District among many others. In addition, Terra Technologies was also awarded the Conservation Award in 1999 from the Kansas Department of Wildlife and Parks Environmental Services Section for their work with municipalities and private entities.

VIII. ECOLOGICAL SUITABILITY

The Bank site contains long stretches of three intermittent stream channels and two small ephemeral tributaries. The stream channels are significantly impaired due to increased runoff within the local watershed caused by increased land development as well as by past incision, roadway impacts, decreased groundwater inputs and the manipulation of the Kansas River and its floodplain. All of the intermittent channels display significant levels of accelerated bed and bank erosion. Virtually all of the pre-settlement riparian corridors have been removed and the current riparian corridors are second growth forests dominated by honey locust, Osage orange, Johnsongrass (*Sorghum halepense*), poison ivy (*Toxicodendron radicans*), coralberry (*Symphoricarpos orbiculatis*), black walnut (*Juglans nigra*), Missouri gooseberry (*Ribes missouriense*), hackberry (*Celtis occidentalis*), Canada goldenrod (*Solidago canadensis*), tall fescue (*Festuca arundinacea*), bitternut hickory (*Carya cordiformis*), smooth brome (*Bromus inermis*), red cedar (*Juniperus virginiana*), Virginia wild rye (*Elymus virginicus*), common vetch (*Vicia sativa*), cottonwood (*Populus deltoides*), slippery elm (*Ulmus rubra*) and raccoon grape (*Ampelopsis cordata*). The Bank's plant communities lack many of the species that would have been found during pre-settlement times. In some locations within the Bank, the riparian corridor has been completely cleared and replaced with turf grasses. As a result of these impairments, the Bank site is ecologically suitable for wetland, stream and riparian corridor restoration that will increase the quantity and quality of aquatic and upland habits, improve water quality and minimize future degradation of these ecosystems.

The general nature of the Bank's existing wetlands and streams is described as follows. The site is mapped by the FWS' National Wetlands Inventory (NWI) and no wetlands or ponds are indicated within the limits of the property (Figure 1). The



topographical map published by the United States Geological Survey indicates the presence of three blue-line tributaries (Figure 2).

According to the National Cooperative Soil Survey's Web Soil Survey (<http://websoilsurvey.nrcs.usda.gov/app/>) administered by the Natural Resources Conservation Service (NRCS), soils on the site are mapped as Sogn-Vinland complex, 3 to 25 percent slopes (4752); Kennebec silt loam, frequently flooded (7051); Eudora-Bismarckgrove silt loams, rarely flooded (7106); Eudora silt loam, rarely flooded (7123); Ladoga silt loam, 3 to 8 percent slopes (7285); Ladoga silt loam, 8 to 15 percent slopes (7286); Morrill loam, 3 to 7 percent slopes (7433); Sharpsburg silt loam, 4 to 8 percent slopes (7535), and; Vinland-Rock outcrop complex, 15 to 45 percent slopes (7658). The Sogn-Vinland complex, Kennebec silt loam, Eudora silt loam, and Morrill Loam soils are listed as partially hydric for Johnson County, Kansas. The hydric soil map of the site is provided as Figure 3.

In May and June 2008 and September 2012 scientists with Terra Technologies visited the site for the collection and evaluation of scientific data necessary to determine the extent, magnitude, and spatial limits of jurisdictional environs. Figure 4 shows the results of the Jurisdictional Assessment of the Site. The Corps has issued an Approved Jurisdictional Determination for the Bank site which states that the Bank contains three palustrine emergent wetlands encompassing a total of 0.12 acre, one 0.03 acre palustrine scrub shrub wetland, three palustrine forested wetlands encompassing a total of 0.15 acre, three intermittent streams totaling 5,513 linear feet and two ephemeral streams totaling 687 linear feet. Intermittent #1 and Intermittent #2 flow south to north as the two streams within the hillside portion of the Bank. Once reaching the floodplain, these streams merge within the northernmost portion of the parcel to form Intermittent #3. Intermittent #3 flows from the south to the north and exits the site at the northern boundary. Intermittent #3 flows directly into the Kansas River approximately one mile downstream of the property boundary. Ephemeral #1 flows from west to east in the southwestern corner of the site and has a direct confluence with Intermittent #2. Ephemeral #2 flows from the southwest to the northeast in the northwestern corner of the site. It exits the parcel underneath a railroad berm at the northern boundary and drains into an off-site tributary of Intermittent #3. Wetland #1 is located within an oxbow along Intermittent #2. It maintains hydrologic connectivity to downstream waters as it directly abuts Intermittent #2. Wetlands #2 through #7 are located in the northern low-lying portion of the Bank and maintain hydrologic connectivity to downstream waters as a result of their location within the 100-year floodplain.

IX. WATER RIGHTS

It is illegal for individuals in Kansas to use water without holding a vested right or applying for and receiving a permit to appropriate water from the Division of Water Resources (KSDA, 2006). The Sponsor holds the water rights to the site. Additionally, it should be noted that the Sponsor has no plans to appropriate water for any purpose other than wetland and stream mitigation. These mitigation



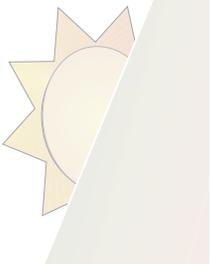
purposes mainly include providing water to onsite wetlands which will filter the water flowing across the site and increase percolation which will help recharge the water table.

X. REFERENCES

Kansas Department of Agriculture (KSDA). 2006. December 14, 2012. Kansas Handbook of Water Rights. <<http://www.ksda.gov/appropriation/content/240>>

Kansas Water Office (KWO). January 2009. April 10, 2010. Kansas Water Plan. Kansas-Lower Republican River Basin. <http://www.kwo.org/Kansas%20Water%20Plan/SWP/KWP_2008/Vol_III_Docs/KLR/Rpt_KLR_Entire_Basin_Section_KWP_2009.pdf>.

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APPENDIX A

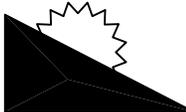
FIGURES

National Wetlands Inventory	
	Inland Aquatic Bed
	Inland Forested Wetland
	Inland Herbaceous Wetland
	Inland Shrub Swamp
	Lower Perennial River
	Upper Perennial River
	Intermittent River
	Lake (Shallow)
	Lake (Deep)
	Pond
	Pond (Drawdown)
	Other Vegetated Wetland



Site Vicinity

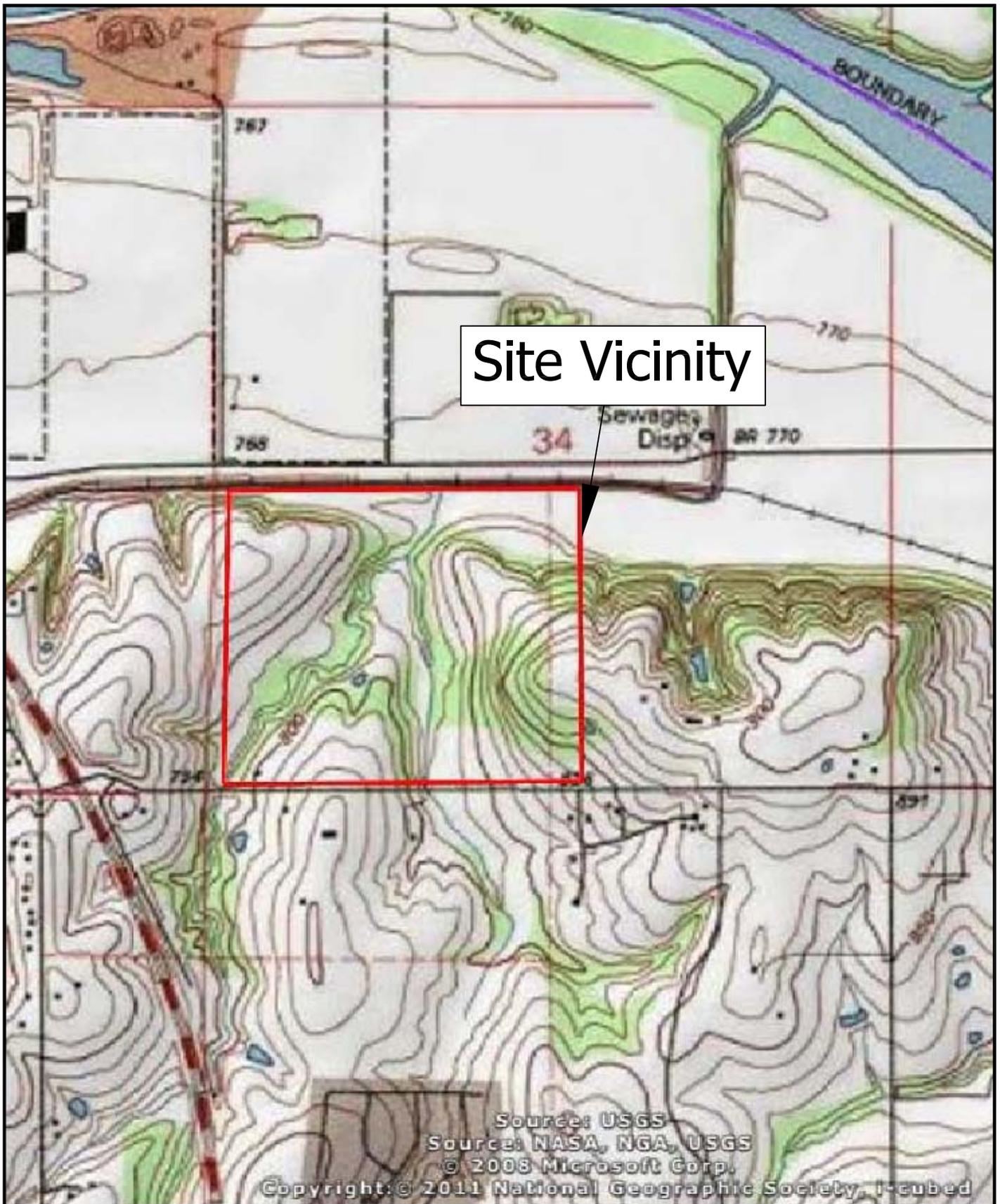
Revisions		
No.	Description	Date



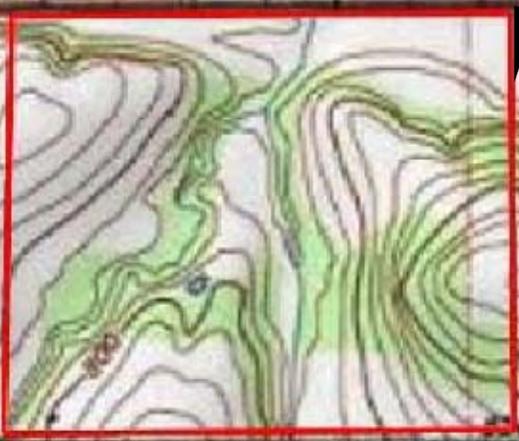
Terra Technologies
1920 West 143rd Street, Suite 140, Leawood, KS 66224

Crimson Ridge
Wetland & Stream
Mitigation Bank
Johnson County, Kansas

National Wetlands Inventory Map	
DRAWING	DATE
FIG 1	DEC 2012



Site Vicinity



Source: USGS
 Source: NASA, NGA, USGS
 © 2008 Microsoft Corp.
 Copyright: © 2011 National Geographic Society, I-cubed

Revisions		
No.	Description	Date

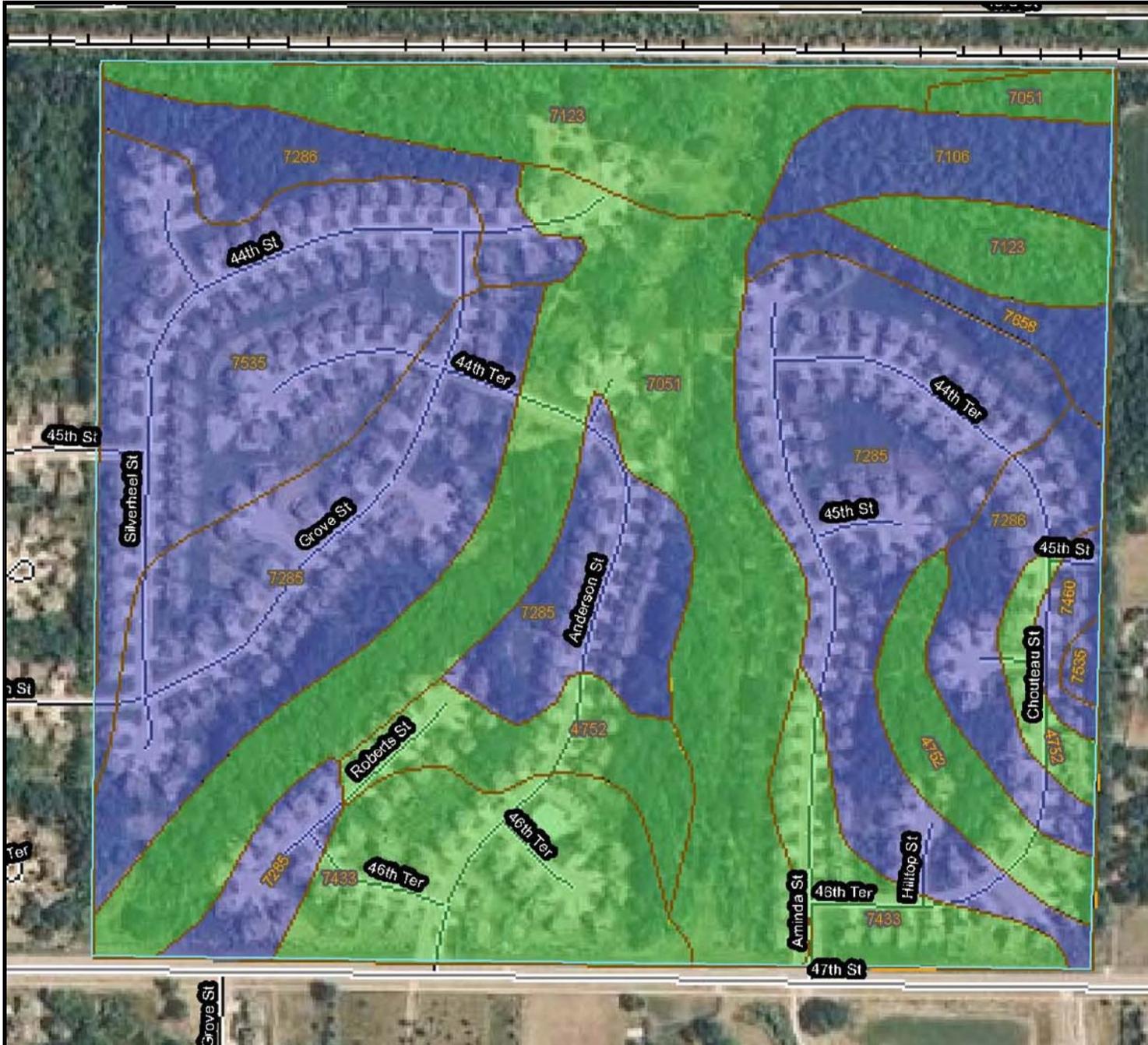


Terra Technologies
 1920 West 143rd Street, Suite 140, Leawood, KS 66224

Crimson Ridge
 Wetland & Stream
 Mitigation Bank
 Johnson County, Kansas

USGS Topography

DRAWING	DATE
FIG 2	DEC 2012



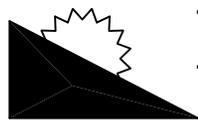
Hydric Rating by Map Unit

Hydric Rating by Map Unit— Summary by Map Unit — Johnson County, Kansas (KS091)				
Map unit symbol	Map unit name	Rating	Acres in AOI	Percent of AOI
4752	Sogn-Vinland complex, 3 to 25 percent slopes	Partially Hydric	9.9	7.0%
7051	Kennebec silt loam, frequently flooded	Partially Hydric	25.6	18.2%
7106	Eudora-Bismarckgrove silt loams, rarely flooded	Not Hydric	4.6	3.3%
7123	Eudora silt loam, rarely flooded	Partially Hydric	13.8	9.8%
7285	Ladoga silt loam, 3 to 8 percent slopes	Not Hydric	40.5	28.9%
7286	Ladoga silt loam, 8 to 15 percent slopes	Not Hydric	10.1	7.2%
7433	Morrill loam, 3 to 7 percent slopes	Partially Hydric	14.2	10.1%
7460	Oska silty clay loam, 3 to 6 percent slopes	Not Hydric	1.3	0.9%
7535	Sharpsburg silt loam, 4 to 8 percent slopes	Not Hydric	17.7	12.7%
7658	Vinland-Rock outcrop complex, 15 to 45 percent slopes	Not Hydric	2.6	1.8%

Soil Ratings

- All Hydric
- Partially Hydric
- Not Hydric
- Unknown Hydric
- Not rated or not available

Revisions		
No.	Description	Date



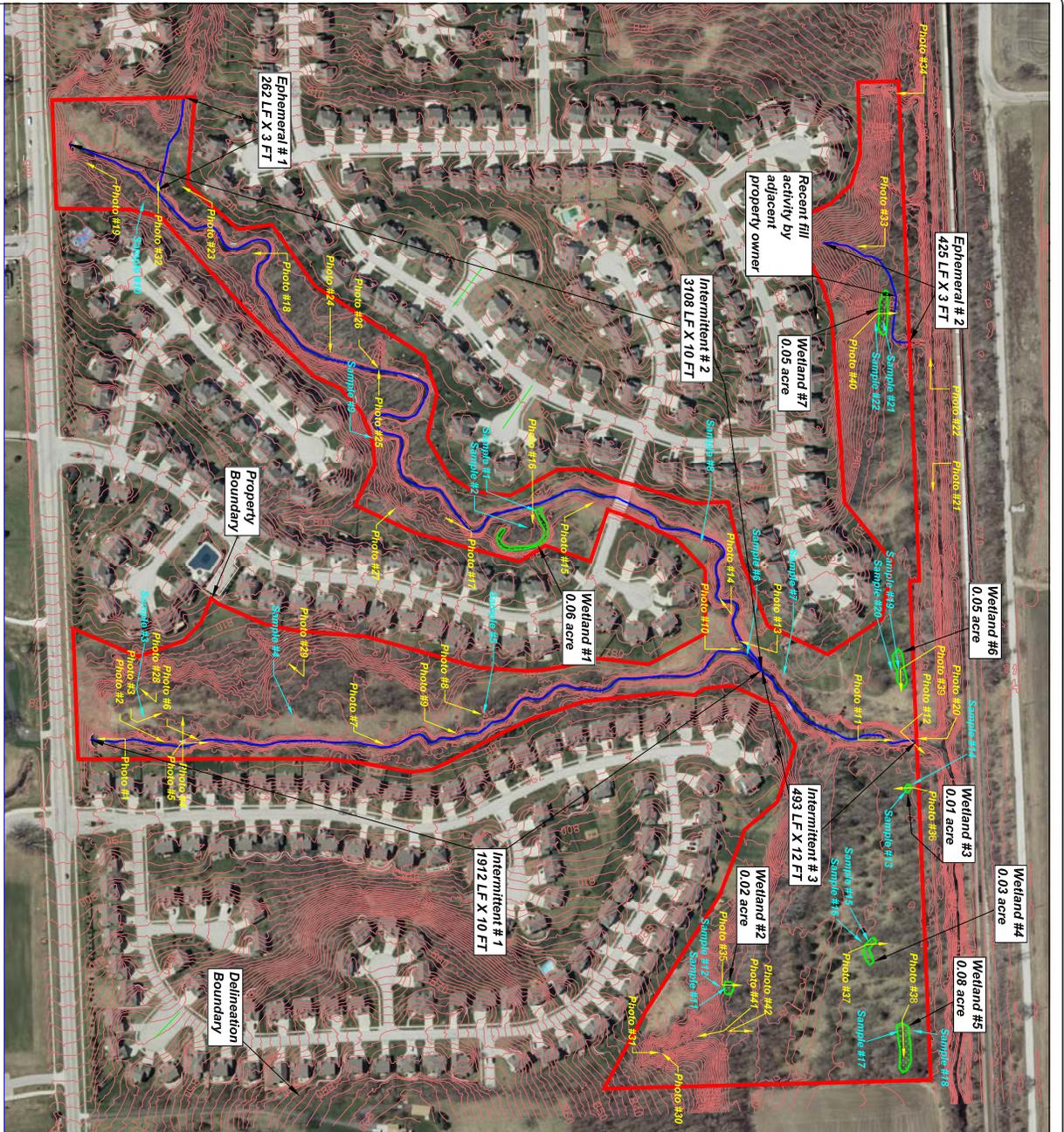
**Terra
Technologies**

1920 West 143rd Street, Suite 140, Leawood, KS 66224

Crimson Ridge
Wetland & Stream
Mitigation Bank
Johnson County, Kansas

Soil Survey Map
With Mapped
Hydric Soil Ratings

DRAWING DATE
FIG 3 DEC 2012



JURISDICTIONAL ASSESSMENT

- Wetland 1: 0.06 acre
- Wetland 2: 0.02 acre
- Wetland 3: 0.01 acre
- Wetland 4: 0.03 acre
- Wetland 5: 0.08 acre
- Wetland 6: 0.05 acre
- Wetland 7: 0.05 acre

TOTAL WETLAND AREA: 0.30 ACRE

- Ephemeral 1: 262 LF, Avg. Width of OHWM: 3 FT
- Ephemeral 2: 425 LF, Avg. Width of OHWM: 3 FT

TOTAL EPHEMERAL LENGTH: 687 LF

- Intermittent 1: 1912 LF, Avg. Width of OHWM: 10 FT
- Intermittent 2: 3108 LF, Avg. Width of OHWM: 10 FT
- Intermittent 3: 493 LF, Avg. Width of OHWM: 12 FT

TOTAL INTERMITTENT LENGTH: 5513 LF

Coordinates

- Wetland 1: N39.04673, W94.84915
- Wetland 2: N39.04848, W94.84513
- Wetland 3: N39.04953, W94.84684
- Wetland 4: N39.04949, W94.84533
- Wetland 5: N39.04948, W94.84472
- Wetland 6: N39.04965, W94.84781
- Wetland 7: N39.04958, W94.85093
- Ephemeral 1: N39.04437, W94.85295
- Ephemeral 2: N39.04949, W94.85169
- Ephemeral 3: N39.04803, W94.84449
- Intermittent 1: N39.04676, W94.84765
- Intermittent 2: N39.04625, W94.84976
- Intermittent 3: N39.04923, W94.84733

Site Location
 T1S-R23E-S34
 Shawnee, Johnson
 County, Kansas
 40.5 Acres



Terra Technologies
 1920 W. 143rd St., Ste. 1400
 Leawood, Kansas 66224
 Tel 913.385.9560 Fax 913.385.5295

FIGURE 4

JURISDICTIONAL ASSESSMENT

PROJECT: CRIMSON RIDGE WETLAND & STREAM MITIGATION BANK
 CLIENT: HABITAT-KANSAS LLC

DATE	07/07/08
CREATED BY	DMW/ST
DATE	07/21/08
REVISIONS	
DATE	07/21/08
BY	DMW
DESCRIPTION	

DATE: 07/07/08
 CREATED BY: DMW/ST
 DATE: 07/21/08
 BY: DMW
 DESCRIPTION:
 288 NO. XXX

APPENDIX B
PHOTOGRAPHIC DOCUMENTATION

PHOTO LOG

DATE: 05/13/2008	SITE NAME: Crimson Ridge Wetland & Stream Mitigation Bank
TAKEN BY: CG	
COMMENTS: Photo of Intermittent # 1 entering the property. OHWM of Intermittent # 1 averages 10 feet. View faces South.	
PHOTO #: 1	

DATE: 05/13/2008	SITE NAME: Crimson Ridge Wetland & Stream Mitigation Bank
TAKEN BY: CG	
COMMENTS: Photo of eastern bank along Intermittent # 1 showing bank erosion and reduced riparian corridor. View faces Northeast.	
PHOTO #: 2	

PHOTO LOG

DATE: 06/19/2008	SITE NAME: Crimson Ridge Wetland & Stream Mitigation Bank
TAKEN BY: CG	
COMMENTS: Photo of erosional swale View faces Northwest.	
PHOTO #: 3	

DATE: 06/19/2008	SITE NAME: Crimson Ridge Wetland & Stream Mitigation Bank
TAKEN BY: CG	
COMMENTS: Photo of erosional swale further downslope. View faces West.	
PHOTO #: 4	

PHOTO LOG

DATE: 06/19/2008	SITE NAME: Crimson Ridge Wetland & Stream Mitigation Bank
TAKEN BY: CG	
COMMENTS: Photo of the confluence of erosional swale with Intermittent # 1. View faces North.	
PHOTO #: 5	

DATE: 05/13/2008	SITE NAME: Crimson Ridge Wetland & Stream Mitigation Bank
TAKEN BY: CG	
COMMENTS: Photo of eastern bank along Intermittent # 1 showing bank erosion and failing rip-rap stabilization effort. View faces Northeast.	
PHOTO #: 6	

PHOTO LOG

DATE: 05/13/2008	SITE NAME: Crimson Ridge Wetland & Stream Mitigation Bank
TAKEN BY: CG	
COMMENTS: Photo of Intermittent # 1 further downstream. View faces Northeast.	
PHOTO #: 7	

DATE: 06/19/2008	SITE NAME: Crimson Ridge Wetland & Stream Mitigation Bank
TAKEN BY: CG	
COMMENTS: Photo of riparian condition along Intermittent # 1. View faces Northeast.	
PHOTO #: 8	

PHOTO LOG

DATE: 05/13/2008	SITE NAME: Crimson Ridge Wetland & Stream Mitigation Bank
TAKEN BY: CG	
COMMENTS: Photo of Intermittent # 1 further downstream with pooling. Considerable debris within the channel and bank erosion present. View faces Northeast.	
PHOTO #: 9	

DATE: 05/13/2008	SITE NAME: Crimson Ridge Wetland & Stream Mitigation Bank
TAKEN BY: CG	
COMMENTS: Photo of the confluence of Intermittent # 1 and Intermittent # 2, and the beginning of Intermittent # 3. OHWM of I-3 averages 12 feet. View faces North.	
PHOTO #: 10	

PHOTO LOG

DATE: 06/19/2008	SITE NAME: Crimson Ridge Wetland & Stream Mitigation Bank
TAKEN BY: CG	
COMMENTS: Photo of downstream conditions of Intermittent # 3 with eroding banks. View faces North.	 A photograph showing a stream with eroding banks. The water is brownish and flows through a rocky channel. The banks are covered in dense green vegetation, including tall grasses and shrubs. The view is from a slightly elevated position looking down the stream.
PHOTO #: 11	

DATE: 06/19/2008	SITE NAME: Crimson Ridge Wetland & Stream Mitigation Bank
TAKEN BY: CG	
COMMENTS: Photo of Intermittent # 3 at the parcel boundary. View faces Northeast.	 A photograph showing a stream at a parcel boundary. The water is brownish and flows through a rocky channel. The banks are covered in dense green vegetation, including tall grasses and shrubs. The view is from a slightly elevated position looking down the stream.
PHOTO #: 12	

PHOTO LOG

DATE: 06/19/2008	SITE NAME: Crimson Ridge Wetland & Stream Mitigation Bank
TAKEN BY: CG	
COMMENTS: Photo of Intermittent # 2 upstream of the confluence with Intermittent # 1. OHWM of I-2 averages 10 feet. View faces Southwest.	
PHOTO #: 13	

DATE: 05/13/2008	SITE NAME: Crimson Ridge Wetland & Stream Mitigation Bank
TAKEN BY: CG	
COMMENTS: Photo of Intermittent # 2 further upstream. View faces Southwest.	
PHOTO #: 14	

PHOTO LOG

DATE: 05/13/2008	SITE NAME: Crimson Ridge Wetland & Stream Mitigation Bank
TAKEN BY: CG	
COMMENTS: Photo of Intermittent # 2 at 44 th Terrace Bridge. View faces Northwest.	
PHOTO #: 15	

DATE: 06/19/2008	SITE NAME: Crimson Ridge Wetland & Stream Mitigation Bank
TAKEN BY: CG	
COMMENTS: Photo of Wetland # 1 within high-flow swale along Intermittent # 2. View faces East.	
PHOTO #: 16	

PHOTO LOG

DATE: 05/13/2008	SITE NAME: Crimson Ridge Wetland & Stream Mitigation Bank
TAKEN BY: CG	
COMMENTS: Photo of Intermittent # 2 further upstream. View faces Southwest.	
PHOTO #: 17	

DATE: 05/13/2008	SITE NAME: Crimson Ridge Wetland & Stream Mitigation Bank
TAKEN BY: CG	
COMMENTS: Photo of Intermittent # 2 further upstream. View faces South.	
PHOTO #: 18	

PHOTO LOG

DATE: 05/13/2008	SITE NAME: Crimson Ridge Wetland & Stream Mitigation Bank
TAKEN BY: CG	
COMMENTS: Photo of Intermittent # 2 emerging onto parcel underneath 47 th Street. View faces Southwest.	
PHOTO #: 19	

DATE: 05/13/2008	SITE NAME: Crimson Ridge Wetland & Stream Mitigation Bank
TAKEN BY: CG	
COMMENTS: Photo of the confluence of Intermittent # 4 with Intermittent # 3. OHWM of Intermittent # 3 averages 4 feet. View faces South.	
PHOTO #: 20	

PHOTO LOG

DATE: 05/13/2008	SITE NAME: Crimson Ridge Wetland & Stream Mitigation Bank
TAKEN BY: CG	
COMMENTS: Photo of off-site Intermittent stream. View faces East.	
PHOTO #: 21	

DATE: 05/13/2008	SITE NAME: Crimson Ridge Wetland & Stream Mitigation Bank
TAKEN BY: CG	
COMMENTS: Photo of off-site Intermittent stream. View faces West.	
PHOTO #: 22	

PHOTO LOG

DATE: 01/06/2011	SITE NAME: Crimson Ridge Wetland & Stream Mitigation Bank
TAKEN BY: CG	
COMMENTS: Photo of depressional area in the southeast corner of the parcel. Depression is erosional area within upland. View faces Southwest.	
PHOTO #: 23	

DATE: 01/06/2011	SITE NAME: Crimson Ridge Wetland & Stream Mitigation Bank
TAKEN BY: CG	
COMMENTS: Photo of erosional drainage lacking an OHWM meeting Intermittent # 2. View faces East.	
PHOTO #: 24	

PHOTO LOG

DATE: 01/06/2011	SITE NAME: Crimson Ridge Wetland & Stream Mitigation Bank
TAKEN BY: CG	
COMMENTS: Photo of erosional drainage originating from stormwater outfall. View faces West.	
PHOTO #: 25	

DATE: 01/06/2011	SITE NAME: Crimson Ridge Wetland & Stream Mitigation Bank
TAKEN BY: CG	
COMMENTS: Photo of erosional drainage from previous photo meeting Intermittent # 2. Water within drainage is backwater from Intermittent # 2. View faces Northeast.	
PHOTO #: 26	

PHOTO LOG

DATE: 01/06/2011	SITE NAME: Crimson Ridge Wetland & Stream Mitigation Bank
TAKEN BY: CG	
COMMENTS: Photo of erosional drainage originating from stormwater outfall. Swale has been piped. View faces Northwest.	
PHOTO #: 27	

DATE: 01/06/2011	SITE NAME: Crimson Ridge Wetland & Stream Mitigation Bank
TAKEN BY: CG	
COMMENTS: Photo of erosional gully. View faces Southwest.	
PHOTO #: 28	

PHOTO LOG

DATE: 01/06/2011	SITE NAME: Crimson Ridge Wetland & Stream Mitigation Bank
TAKEN BY: CG	
COMMENTS: Photo of erosional gully. View faces Southwest.	
PHOTO #: 29	

DATE: 01/06/2011	SITE NAME: Crimson Ridge Wetland & Stream Mitigation Bank
TAKEN BY: CG	
COMMENTS: Photo of erosional gully originating from stormwater outflow. View faces Southwest.	
PHOTO #: 30	

PHOTO LOG

DATE: 01/06/2011	SITE NAME: Crimson Ridge Wetland & Stream Mitigation Bank
TAKEN BY: CG	
COMMENTS: Photo of erosional gully downslope of the previous photo. View faces North.	
PHOTO #: 31	

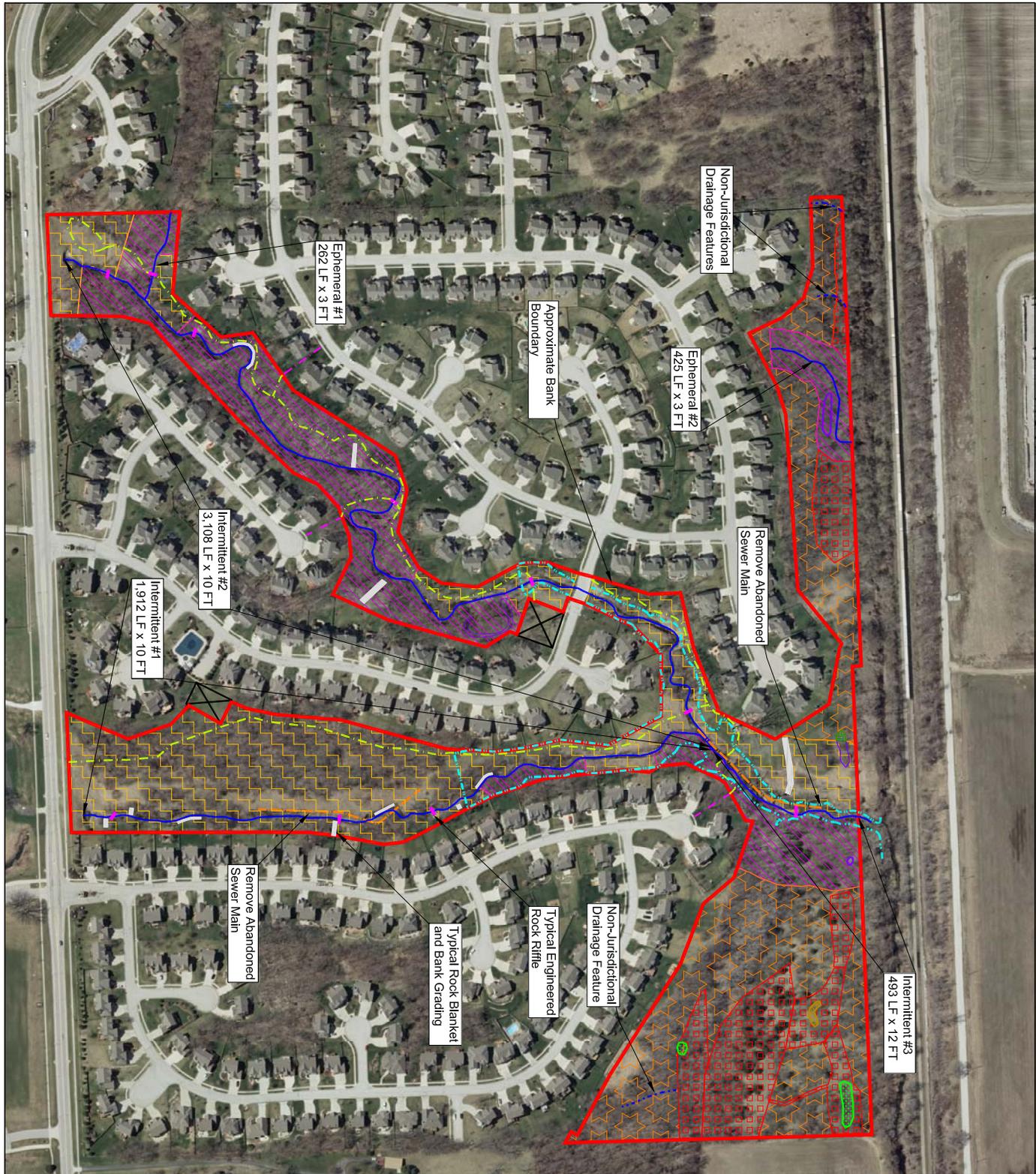
DATE: 01/26/2011	SITE NAME: Crimson Ridge Wetland & Stream Mitigation Bank
TAKEN BY: DF	
COMMENTS: Photo of Ephemeral #1. OHWM of E-1 averages X feet. View faces West.	
PHOTO #: 32	

PHOTO LOG

DATE: 01/26/2011	SITE NAME: Crimson Ridge Wetland & Stream Mitigation Bank
TAKEN BY: DF	
COMMENTS: Photo of Ephemeral #2. OHWM of E-2 averages X feet. View faces South.	
PHOTO #: 33	

DATE: 01/26/2011	SITE NAME: Crimson Ridge Wetland & Stream Mitigation Bank
TAKEN BY: DF	
COMMENTS: Photo of Erosional Feature. View faces South.	
PHOTO #: 34	

APPENDIX C
BANK DEVELOPMENT PLAN

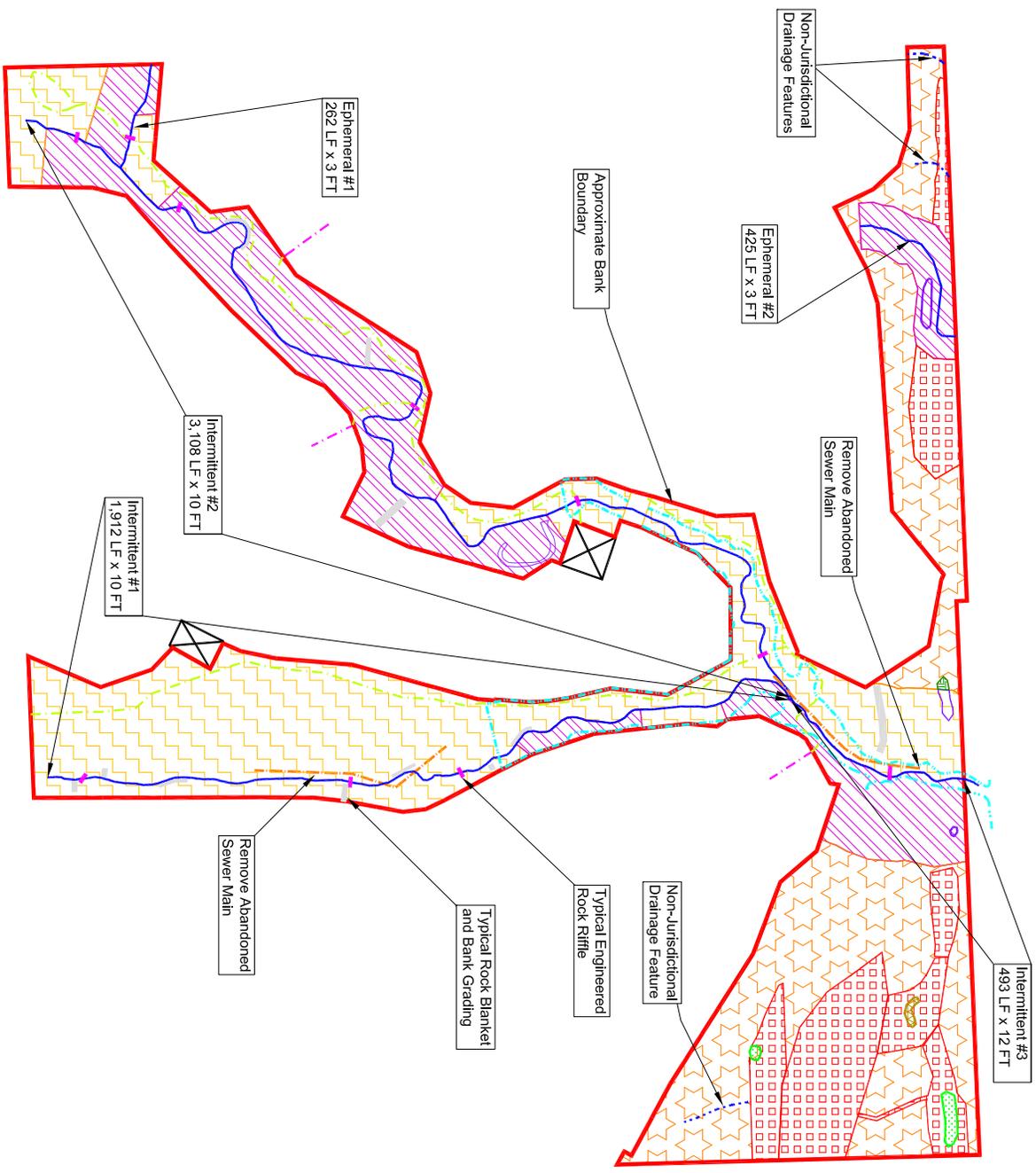


Legend

- Riparian Buffer Restoration 14.39 Acres
- Riparian Buffer Enhancement 9.44 Acres
- Forested Wetland Establishment 4.57 Acres
- Forested Wetland Enhancement 0.10 Acre
- Scrub-Shrub Wetland Enhancement 0.03 Acre
- Herbaceous Wetland Enhancement 0.01 Acre
- Forested Upland Buffer Enhancement 9.47 Acres
- Wetland Enhancement In Riparian Buffer (FOR STREAM CREDIT ONLY)
- 100-Year Floodplain Limit Per Payne & Brockway Flood Study
- Trail (Home Owners Association Property)
- Trail (Habitat-Kansas Property)
- Home Owners Association Park (Proposed)
- Proposed In-Stream Improvements
 - Engineered Rock Rifle / Grade Control Structure
 - Rock Blanket and Bank Grading
 - Remove Abandoned Sewer Main

Site Location
 T11S-R23E-S34
 Showers, Kansas County,
 38.18 acres

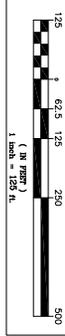
GRAPHIC SCALE
 1 inch = 125 ft



Legend

- Riparian Buffer Restoration 14.39 Acres
- Riparian Buffer Enhancement 9.44 Acres
- Forested Wetland Establishment 4.57 Acres
- Forested Wetland Enhancement 0.10 Acre
- Scrub-Shrub Wetland Enhancement 0.03 Acre
- Herbaceous Wetland Enhancement 0.01 Acre
- Forested Upland Buffer Enhancement 9.47 Acres
- Wetland Enhancement In Riparian Buffer (FOR STREAM CREDIT ONLY)
- 100-Year Floodplain Limit Per Payne & Brockway Flood Study
- Trail (Home Owners Association Property)
- Trail (Habitat-Kansas Property)
- Home Owners Association Park (Proposed)
- Proposed In-Stream Improvements
- Engineered Rock Riffle / Grade Control Structure
- Rock Blanket and Bank Grading
- Remove Abandoned Sewer Main

Site Location
T11S-R23E-S04
Shower, Kansas County,
38.18 acres



APPENDIX D

EXAMPLE SITE PROTECTION INSTRUMENT

CONSERVATION EASEMENT

THIS DEED OF CONSERVATION EASEMENT is given this ____ day of _____, 20__, by Habitat-Kansas LLC, a Kansas Limited Liability Company, their successors and assigns, having an address of 24820 Miller Road Harrisonville, Missouri 64701 ("Grantor") to Midwest Mitigation Oversight Association, Inc., a Missouri non-profit corporation, its successors and assigns, having an address of 21301 Shelby Lane Belton, MO 64012 ("Grantee"). As used herein, the term "Grantor" shall include any and all heirs, successors, or assigns of the Grantor, and all subsequent owners of the Property (as hereinafter defined), and the term "Grantee" shall include any successor or assignee of Grantee.

WITNESSETH:

WHEREAS, Grantor is the sole owner in fee simple title of certain lands situate in Johnson County, KANSAS, more particularly described in Exhibit A, attached hereto and incorporated herein ("Property"), and

WHEREAS, Department Permit No. _____3 of the U.S. Army Corps of Engineers ("Corps") (hereinafter referred to as the "Permit") authorizes certain activities which affect waters of the United States; and

WHEREAS, the permits require that Grantor preserve, enhance, restore, or mitigate wetlands or uplands located on the Property and under the jurisdiction of the Corps; and

WHEREAS, Grantor, in consideration of the issuance of the permits to construct and operate the permitted activity, and as an inducement to Grantee and the Corps to issue the Permits, is willing to grant a perpetual Conservation Easement over the Property; and

NOW THEREFORE, in consideration of the above and mutual covenants, terms conditions, and restrictions contained herein, together with other good and valuable consideration, the adequacy and receipt of which is hereby acknowledged, Grantor hereby voluntarily grants and conveys a perpetual Conservation Easement for and in favor of Grantee upon the property, which shall run with the land and be binding upon the Grantor, and shall remain in full force and effect forever.

The scope, nature, and character of this Conservation Easement shall be as follows:

1. **Purpose:** The purpose of this Conservation Easement is to retain and maintain land or water areas on the Property in their natural, vegetative, hydrologic, scenic, open, agricultural, or wooded condition and to retain such areas as suitable habitat for fish, plants, or wildlife. Those wetland or upland areas that are to be restored, enhanced, or created pursuant to the Permit shall be retained and maintained in the restored, enhanced, or created condition required by the Permit.

2. **Rights of Grantee:** The following rights are conveyed to Grantee and the Corps by this easement:

a. The right to take action to preserve and protect the environmental value of the Property; and

b. The right to prevent any activity on or use of the Property that is inconsistent with the purpose of this Conservation Easement, and to require the restoration of areas or features of the Property that may be damaged by any inconsistent activity or use;

c. The right to enter upon and inspect the Property in a reasonable manner and at reasonable times to determine if Grantor is complying with the covenants and prohibitions contained in this Conservation Easement; and

d. The right to proceed at law or in equity to enforce the provisions of this Conservation Easement, and to prevent the occurrence of any of the prohibited activities hereinafter set forth.

3. **Prohibited Uses:** Except for restoration, creation, enhancement, maintenance, and monitoring activities, or surface water management improvements, which are permitted or required by the Permit, the following activities are prohibited on the Property:

a. Construction or placing of buildings, roads, signs, billboards or other advertising, utilities, or other structures on or above the ground, or the construction or placing of structures below the ground that may impact the surface of the Property;

b. Dumping or placing of soil or other substance or material as landfill, or dumping or placing of trash, waste, or unsightly or offensive materials;

c. Removal or destruction of trees, shrubs, or other vegetation, except as may be permitted by the Permit, and except for the removal of nuisance, exotic, or non-native vegetation in accordance with a maintenance plan approved by Grantee;

d. Planting of nuisance, exotic, or non-native plants as listed by the State of KANSAS;

e. Exploration for, or extraction of, oil or gas in such a manner as to affect the surface, or excavation, dredging, or removal of coal, loam, peat, gravel, soil, rock, or other material substance, except as may be permitted or required by the Permit;

f. Use of motorized and non-motorized vehicles, the keeping or riding of horses, grazing, livestock confinement, or other surface use that may affect the natural condition of the Property, except for vehicle use for purposes of maintenance and upkeep, or as otherwise may be permitted or required by the Permit;

g. Tilling, plowing, planting of crops, digging, mining, or other activities that are or may be detrimental to drainage, flood control, water conservation, water quality, erosion

control, soil conservation, or fish and wildlife habitat preservation, including but not limited to ditching, diking, and fencing, except as permitted or required by the Permit;

h. The extraction of water from the Property or adjacent properties owned by Grantor, or the impoundment of water on the Property or on adjacent properties owned by Grantor, so as to affect the hydrology of the Property;

i. Acts or uses detrimental to the aforementioned retention and maintenance of land or water areas;

j. Acts or uses detrimental to the preservation of the structural integrity or physical appearance of sites or properties of historical, architectural, archaeological, or cultural significance.

4. **Reserved Rights:** Grantor reserves all rights as owner of the Property, including the right to engage in uses of the Property that are not prohibited herein and that are not inconsistent with any Corps rule, criteria, permit, or the intent and purposes of this Conservation Easement.

5. **Taxes:** Grantor shall pay any and all applicable real property taxes and assessments levied by competent taxing authority on the Property.

6. **Maintenance:** Grantor shall, at Grantor's sole expense, operate, maintain and keep up the Property consistent with the purpose of this Conservation Easement. Grantor shall remove from the Property any nuisance, exotic, or non-native plants as listed by the State of KANSAS and shall maintain the hydrology of the Property as it currently exists or as otherwise required by the Permit.

7. **Hazardous Waste:** Grantor covenants that if any hazardous substances or toxic waste exist or has been generated, treated, stored, used, disposed of, or deposited in or on the Property, or there are or have been any underground storage tanks on the Property, Grantor shall be responsible for any and all necessary costs of remediation.

8. **Public Access:** No right of access by the general public to any portion of the Property is conveyed by this Conservation Easement, and Grantor further covenants not to hold any portion of the Property open to general use by the public except with the written permission of the Corps and Grantee.

9. **Liability:** Grantor shall continue to retain all liability for any injury or damage to the person or property of third parties that may occur on the Property arising from ownership of the Property. Neither Grantor, nor any person claiming by or through Grantor, shall hold Grantee or the Corps liable for any damage or injury that may occur on the Property.

10. **Recording Requirements:** Grantor shall record this Conservation Easement in the official records of Johnson County, KANSAS, and shall re-record it at any time Grantee or the Corps may require to preserve their rights. Grantor shall pay all recording costs, fees and taxes necessary at any time to record this Conservation Easement in the public records. Grantor shall

thereafter insert the terms and restrictions of this Conservation Easement in any subsequent deed or other legal instrument by which Grantor divests himself/herself/itself of any interest in the Property, and shall provide a photocopy of the recorded Conservation Easement to the new owner(s).

11. **Enforcement:** The terms and conditions of this Conservation Easement may be enforced in an action at law or equity by the Grantee or the Corps against the Grantor or any other party violating or attempting to violate these Restrictions. Venue for any such action shall be in Johnson County, KANSAS. Enforcement of this Conservation Easement shall be at the reasonable discretion of the Grantee or the Corps, and any forbearance on behalf of Grantee or the Corps to exercise its or their rights hereunder in the event of any breach by Grantor shall not be deemed or construed to be a waiver of rights. Any costs incurred in enforcing, judicially or otherwise, the terms, provisions, and restrictions of this Conservation Easement, including without limitation, the costs of suit, and attorney's fees, shall be borne by and recoverable against the non-prevailing party in such proceedings, except that such costs shall not be recoverable against the Corps. In addition, if the Grantee or the Corps shall prevail in an enforcement action, such party shall also be entitled to recover that party's cost of restoring the land to the natural vegetative and hydrologic condition existing at the time of execution of these Restrictions or to the vegetative and hydrologic condition required by the Permits.

12. **Assignment of Rights:** Grantee shall hold this Conservation Easement exclusively for conservation purposes. Grantee will not assign its rights and obligations under this Conservation Easement, except to another legal entity qualified to hold such interests under applicable state and federal laws and committed to holding this Conservation Easement exclusively for the purposes stated herein. Grantee shall notify the Corps in writing of any intention to reassign this Conservation Easement to a new grantee at least sixty (60) days in advance thereof, and the Corps must accept the assignment in writing. The new grantee shall then deliver a written acceptance to the Corps. The assignment instrument must then be recorded and indexed in the same manner as any other instrument affecting title to real property and a copy of the assignment instrument shall be furnished to the Corps. Failure to comply with the assignment procedure herein stated shall result in invalidity of the assignment. In the event of dissolution of the Grantee or any successor, or failure for 60 days or more to execute the obligations of this Conservation Easement, the Grantee shall transfer this Conservation Easement to a qualified and willing grantee. Upon failure of the Grantee or any successor to so transfer the Conservation Easement, the Corps shall have the right to sue to force such an assignment to a grantee to be identified by the Court.

13. **Successors:** The covenants, terms, conditions, and restrictions of this Conservation Easement shall be binding upon, and inure to the benefit of the parties hereto and their respective personal representatives, heirs, successors, and assigns, and shall continue as a servitude running in perpetuity with the Property.

14. **Notices:** All notices, consents, approvals, or other communications hereunder shall be in writing and shall be deemed properly given if sent by United States certified mail, return receipt requested, addressed to the appropriate party or successor-in-interest.

15. **Severability:** If any provision of this Conservation Easement or the application thereof to any person or circumstances is found to be invalid, the remainder of the provisions of this Conservation Easement shall not be affected thereby, as long as the purpose of the Conservation Easement is preserved.

16. **Alteration or Revocation:** This Conservation Easement may be amended, altered, released, canceled, or revoked only by written agreement between the parties hereto or their heirs, assigns, or successors in interest, which shall be filed in the public records of Johnson County, KANSAS. No action shall be taken, however, without advance written approval thereof by the Corps. Corps approval shall be by letter attached as an exhibit to the document amending, altering, canceling, or revoking the Conservation Easement, and said letter shall be informal and shall not require notarization. It is understood and agreed that Corps approval requires a minimum of sixty (60) days written notice, and that the Corps may require substitute or additional mitigation, a separate conservation easement or alternate deed restrictions, or other requirements as a condition of approval. Any amendment, alteration, release, cancellation, or revocation together with written Corps approval thereof shall then be filed in the public records of Johnson County, KANSAS, within 30 days thereafter.

17. **Controlling Law:** The interpretation and performance of this Conservation Easement shall be governed by the laws of the State of KANSAS.

TO HAVE AND TO HOLD unto Grantee forever. The covenants, terms, conditions, restrictions, and purpose imposed with this Conservation Easement shall be binding upon Grantor, and shall continue as a servitude running in perpetuity with the property.

GRANTOR FURTHER COVENANTS that Grantor is lawfully seized of said Property in fee simple; that the Property is free and clear of all encumbrances that are inconsistent with the terms of this Conservation Easement and that no mortgages or other liens exist; that Grantor has good right and lawful authority to convey this Conservation Easement, and that it hereby fully warrants and defends the title to the Conservation Easement hereby conveyed against the lawful claims of all persons whomsoever.

IN WITNESS WHEREOF, the Grantor has executed this Conservation Easement this _____ day of _____, 20__.

Signed in the presence of:

GRANTOR:

Print Witness Name: _____

Habitat-Kansas, LLC
By: _____
Print: David L. Flick
Title: _____

The foregoing Conservation Easement was acknowledged before me this _____ day of _____, 20__, by _____ as _____ of _____ who is personally known to me or has produced _____ as identification.

My Commission Expires:

NOTARY PUBLIC

IN WITNESS WHEREOF, the Grantee accepts this Conservation Easement this _____ day of _____, 20__.

Signed in the presence of:

GRANTEE:

Print Witness Name: _____

Midwest Mitigation Oversight Association Inc.
By: _____
Print: James D. Drake
Title: _____

STATE OF MISSOURI/KANSAS
COUNTY OF _____

The foregoing Conservation Easement was acknowledged before me this _____ day of _____, 20__, by _____ as _____ of _____ who is personally known to me or has produced _____ as identification.

My Commission Expires:

NOTARY PUBLIC

Exhibit "A"

The Property is defined as part of the SW $\frac{1}{4}$ of Section 34, Township 11S, Range 23E.

NOTE: Legal description and exhibit to be included prior to recordation of the property.

APPENDIX E

QUALIFICATIONS OF SPONSOR'S TECHNICAL CONSULTANT

INTRODUCTION

Terra Technologies Inc. is an innovative consulting firm with a focus on Clean Water Act Section 404 and 401 permitting and compensatory mitigation as well as biotechnical and environmental engineering. This focus requires an extensive amount of horticultural and biological expertise that also has application in a broad range of areas including large and small scale wetland and stream system development, wildlife habitat enhancement projects, ecologically-sensitive stream stabilization design and environmental remediation. The scientists and engineers at Terra Technologies provide a wide array of services including Clean Water Act 404/401/402 permit applications, compensatory mitigation design, rare and endangered species audits, environmental investigations, development of erosion and sediment control plans, and rain garden/natural stream channel design.

Terra Technologies has successfully completed numerous biotechnical design projects across the Midwest. No less than 40 mitigation, constructed wetland, and stream bank stabilization projects are currently in construction or design in the greater St. Louis, Columbia, and Kansas City areas. Our scientists will also perform 100+ wetland delineations, covering approximately 15,000 development acres annually.

Terra Technologies combines the skills and experience of licensed professional engineers with the fields of wetland ecology, horticulture, soil bioengineering, stream geomorphology, agrostology, botany, wildlife biology and agronomy. This unique combination allows for the consideration and implementation of a broad range of solutions for Clean Water Act permitting, compensatory mitigation and storm water problems in both urban and rural areas. With a professional staff of experienced scientists and engineers, our clients have the advantage of diversified resources and the expertise of the entire firm.

Terra Technologies has been involved with numerous compensatory mitigation projects, including several large wetland and stream mitigation banks. Our design approach considers the existing site topography, hydrology, soils, and vegetation and then increases the amount of surface hydrology





through the manipulation of water inputs and the creation of extensive and varied microtopography. This microtopography creates a variety of hydrologic gradients within the onsite soils which leads to a diversity of microhabitats that support a wide diversity of plant life. All compensatory projects are seeded and planted with a large number of appropriate native herbaceous and woody species.

Our firm also has extensive expertise with stream stabilization and restoration projects. Terra Technologies can specify and implement a variety of materials and techniques including erosion control blankets, turf reinforcing matrices, wire reinforced turf reinforcing matrices, geocellular confinement, biogabions, preplanted coir fiber logs, landscaped open-face modular wall systems, articulated concrete block systems, pool and riffle systems, bonded fiber matrices, and others. Terra Technologies constantly looks at new applications for existing products that can be used for biotechnical solutions. When appropriate, pure vegetative stabilization approaches can also be effective. In all of our compensatory mitigation approaches Terra Technologies strives to provide long term solutions that work with, rather than against, natural environmental processes.

The key to any compensatory mitigation project is the long-term establishment of appropriate site hydrology as well as self-sustaining and low maintenance vegetation that is indigenous to the area. If the vegetation fails to establish, the long-term success of the project is in serious question. Pioneering vegetation often invades the initial establishment phase but is usually considered undesirable over the long term. Many of the initial plant materials mature and die within the first few growing seasons or dominate the environment such that more desirable plant materials cannot become established. A mature restoration project should contain





a balanced mix of desirable riparian vegetation and grasses that do not require extensive maintenance to preserve the balance and control undesirable vegetation. Therefore, a complete understanding of the succession of plant communities is necessary to assure the long-term success of the project. Terra Technologies brings the necessary knowledge of agrostology, horticulture, soil bioengineering, and botany to the project to assure long-term success.

Terra Technologies is comprised of highly qualified professionals with extensive experience and a range of engineering and scientific disciplines. We are recognized by our clients for providing value-added environmental engineering alternatives while responding rapidly to clients' needs. In total, more than 600 mitigation projects have been completed since the Company was founded in 1992.





Stranger Creek Wetland & Stream Mitigation Bank Leavenworth County, Kansas



Terra Technologies has established the first approved Wetland and Stream Mitigation Bank in Kansas with a service area that reaches outside of Johnson County. The restoration plan for this 65-acre restoration site included the creation of 42 acres of riparian corridor as well as the restoration and enhancement of 18 acres of wetlands which will improve water quality by filtering agricultural runoff that flows onto the site from neighboring properties.



Streams that were transformed into linear agricultural drainageways have been restored to natural stream channels with appropriate sinuosity and entrenchment ratios. These streams now flow into a series of wetlands and eventually into a larger wetland pool in the southern portion of the property. Additionally, the current erosion of the stream bank adjacent to Stranger Creek has been addressed through the construction of a longitudinal peaked stone toe bank stabilization.

Terra Technologies' commitment to botanical diversity resulted in the seeding and planting of more than 100 tree, shrub, and herbaceous species on this site. The creation of berms and microtopography will result in a variety of microhabitats which will allow for the establishment of a wide diversity of plant species.



The abundance of different plant species and water levels will produce a significant benefit to wildlife habitat.

In addition to designing, permitting, and overseeing the construction of the mitigation bank, Terra Technologies has begun monitoring and will sell the resulting wetland and stream credits. Construction was completed in 2010 and the mitigation bank was approved in 2011.



Sni-A-Bar Creek Wetland & Stream Mitigation Bank Jackson County, Missouri

Terra Technologies has designed and constructed a 70-acre Wetland and Stream Mitigation Bank near Grain Valley, Missouri.

The first wetland or stream mitigation bank on the Missouri side of the Kansas City metro area, this project transformed floodplain agricultural land that has been planted with row crops for several decades into a functioning wetland mitigation site and riparian buffer. The creation of wetlands and riparian corridors on this site will be used to compensate for impacts to wetlands and streams by projects in the bank's service area, which includes virtually all of Jackson, Ray, Lafayette, Saline and Pettis counties as well as parts of Clay, Cass,



Johnson, Benton, Morgan, Moniteau, Cooper, Chariton, Carroll, Clinton and Caldwell counties.



The design of the site took advantage of its location adjacent to a perennial stream for the restoration of a wide riparian buffer. Areas further from the stream have soils that are more conducive for wetland development. Large amounts of microtopography throughout the poorly drained soils captures sufficient surface water to develop wetland conditions. Additionally, site excavation has enhanced the hydrology of the site by bringing the soil surface closer to the shallow ground water table.

Most of the site has been planted as a forested wetland, which is appropriate based on the landscape position of the site within the floodplain of a large stream. Within the forested areas, large spaces have been excavated to a greater depth to create shallow marsh areas, which will provide an additional amount of habitat diversity and will enhance habitat for migrating waterfowl, which already use a shallow swale on the site as resting ground.



Terra Technologies oversaw construction of this mitigation bank, is monitoring the site, and is selling the resulting wetland and stream credits to third parties. Construction of the site was completed in 2008.



Osage Plains Wetland & Stream Mitigation Bank Cass County, Missouri



Terra Technologies designed and constructed a 40.5-acre Wetland and Stream Mitigation Bank located south of Kansas City in Cass County, Missouri. Credits generated by the restoration of wetlands and riparian corridors on the site will be sold to third parties to compensate for impacts to those resources caused by development and public works projects. The bank service area includes virtually all of Cass, Henry, and Bates counties as well as parts of Jackson, Johnson, Benton, St. Clair, Cedar, Barton, and Vernon counties.

Terra Technologies recognized that the site, which had been in row crop production for decades, had a significant amount of local topographic variability and a favorable position in the landscape for wetland development. This topographic variability was enhanced to facilitate the creation of wetland hydrology and hydric soil development.

The enhancement of the site's intricate topography led to the creation of a wide variety of microhabitats along a hydrologic gradient, which allowed for the establishment of a high amount of botanical diversity. Terra Technologies has planted appropriate native plant species to match the unique topography, soil, and hydrologic conditions of the site. The forested areas support more than 30 woody species including pin oak, shellbark hickory, and swamp white oak, the scrub-shrub communities include no less than 12 woody species including buttonbush, silky dogwood, shrub indigo, and elderberry, and the herbaceous communities included no less than 50 species including a diverse sedge mix, bulrushes, and numerous attractive wildflowers such as iris and bur marigold.

This project has provided numerous water quality benefits including, but not limited to: flood control, reconnection of a perennial river with its floodplain, and the removal of agricultural pollutants from runoff. In addition, numerous wildlife benefits have been established including amphibian breeding sites, a water source for birds & mammals, a wildlife corridor along the river with no fences, and establishment of small mammal habitat.

ACTIONS

- ⊕ Intercept & disperse existing hydrology
- ⊕ Removed 6-12" of topsoil in some areas to lower elevations
- ⊕ Graded to desired contours
- ⊕ Created significant microtopography
- ⊕ Installed surge pipe to capture flow from East Branch of South Grand River
- ⊕ Planted and hydroseeded

RESULTS

- ⊕ Restored: 18.43 acres of wetlands
 - Forested wetland (6.06 acres)
 - Scrub - Shrub wetland (6.84 acres)
 - Herbaceous wetland (5.53 acres)
- ⊕ Enhanced Existing Floodplain Forest (2.12 acres)
- ⊕ Restored Prairie (0.82 acres)
- ⊕ Enhanced Existing Forested & Herbaceous Wetlands (1.14 acres)
- ⊕ Reforested 17.98 acres along more than 3,000 feet of stream bank along one side (stream credits)



Camp Branch Wetland and Stream Mitigation Bank Cass County, Missouri



Terra Technologies has designed and overseen the approval process for a second Wetland and Stream Mitigation Bank in Cass County, Missouri. As part of the restoration plan for this 87-acre site, more than 44 acres of riparian corridor were planted and more than 30 acres of existing riparian corridors were enhanced along several perennial and intermittent streams. In addition, Terra Technologies created, restored or enhanced more than ten acres of herbaceous and forested wetlands and enhanced two acres of degraded uplands.

In order to improve regional water quality and wildlife habitat, Terra Technologies increased the width of riparian corridors dramatically and converted portions of the property that were previously in agricultural production to forested and herbaceous wetlands through the creation of microtopography as well as the construction of large and small berms across the site to divert existing sheet flow. The site's position in the Camp Branch and Clear Creek floodplains and the predominance of poorly drained soils across the site make the probability of success very high.

The mitigation activities on this property have resulted in the protection of more than two miles of streams on both sides with another third of a mile protected on one side. Additionally, the wetlands and riparian corridors will help to filter nutrient pollution and excess sediment from flood flows from Camp Branch and from the surface runoff of the more than 350 acres of agricultural properties that drain across this mitigation bank. These actions will increase wildlife habitat and will improve water quality in downstream waters including Truman Lake and Lake of the Ozarks.

Terra Technologies oversaw the construction of the mitigation bank, navigated the regulatory requirements, is monitoring the site and will sell the resulting wetland and stream credits. The service area includes virtually all of Cass, Henry, and Bates counties as well as parts of Jackson, Johnson, Benton, St. Clair, Cedar, Barton, and Vernon counties.

Construction began in late 2008 and the mitigation bank was approved in 2012.



APPENDIX F

DRAFT MUTUAL COOPERATION AGREEMENT WITH
CRIMSON RIDGE HOMES ASSOCIATION

MUTUAL COOPERATION AGREEMENT

THIS MUTUAL COOPERATION AGREEMENT (the "Agreement") is made and entered into as of the last date of signature indicated below (the "Effective Date"), by and between **Habitat-Kansas, LLC** ("Habitat"), and **Crimson Ridge Homes Association** (the "Association").

WITNESSETH:

WHEREAS, Habitat is the record owner of certain real property consisting of approximately forty (40) acres located in the City of Shawnee, Johnson County, Kansas, more particularly described in Exhibit A which is attached hereto and incorporated herein by this reference (the "Property");

WHEREAS, Habitat has applied or will apply for certain governmental approvals or other consents related to the Property, specifically a mitigation bank permit and a permit under Section 404 of the federal Clean Water Act from the U.S. Army Corp of Engineers ("Corps") and related permits from other federal, state, county, and municipal authorities (collectively, the "Permits");

WHEREAS, Association has as its members residents and owners of certain real property adjacent to or which, in certain cases, abuts the Property, commonly known as Crimson Ridge (the "Subdivision"), and desires to ensure that the Property will remain in a natural state subject to the Permits and the provisions of this Agreement; and

WHEREAS, certain disputes and differences have arisen among Habitat, the Association, the Association's individual members, and certain parties with prior interests in the Property, including Crimson Ridge Partners, LLC, a limited liability company ("Crimson Ridge"), Rodrock & Associates, Inc., a corporation ("Rodrock"), and Rodrock Foundation, Inc., a corporation ("Foundation"), regarding the Property and the Permits, and/or applicable statutes, regulations, declarations, approvals, and representations related to the Property and the Subdivision (collectively, the "Claims"); and

WHEREAS, in order to avoid further expense and distraction, the parties hereto have agreed to resolve and settle the Claims and to resolve, settle, discharge, and extinguish any and all claims which any of the parties hereto have brought, could have brought, or could bring against each other arising out of or related to the Claims, the Permits, or the Property, and any other agreements, permits, regulations, or requirements, written or otherwise, serving as the bases for the Claims.

NOW, THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt of which is hereby acknowledged, Habitat and Association hereby agree as follows:

1. Property Permits. Habitat and Association shall, and Association shall cause its members to, reasonably cooperate with each other in, and not oppose, the filing for and obtaining of any approvals or consents required under applicable law or other applicable rule, regulation, policy, instruction, or other authority to effectuate this Agreement, including but not limited to the Permits.

2. Conservation Easements. Within a reasonable time, not to exceed ninety (90) days, after Habitat has received or obtained all necessary Permits, Habitat shall impress the Property with a conservation easement in favor of Midwest Mitigation Oversight Association, Inc. ("MMO"), in form reasonably acceptable to the Corps, MMO and Habitat (the "Conservation Easement"), and subject to those of the permitted uses or exceptions set forth in Exhibit B, which is attached hereto and incorporated herein by this reference, and the trail areas set forth in red on Exhibit C, which is attached hereto and incorporated herein by this reference; provided, that such uses or exceptions are approved by MMO and the Corps. Improvement of the trail areas shall be restricted to mulch paths and low water crossings, which shall be at the sole expense of the Association; provided, however, that Habitat will not object to the Association building elevated bridges in lieu of low water crossings shown on Exhibit C, so long as such bridges are approved by the Corps. The parties acknowledge and agree that MMO will be responsible for enforcing the provisions of the Conservation Easement. Habitat and Association agree to execute such other documents as MMO may reasonably require for its acceptance of the Conservation Easement and its agreement to maintain the Conservation Easement.

3. Performance by Habitat. Habitat agrees to timely perform all stream bank stabilization and other improvements on or to the Property as required by the applicable Permits, including ongoing maintenance of stream banks and buffers, providing such financial assurances as may be required, and constructing storm water outfall ponds for temporary detention. Association agrees that it shall not, and that it shall cause its members to not, interfere with, disrupt, or oppose Habitat's work pursuant to the Permits. Habitat further agrees not to introduce or caused to be introduced mammals, birds or reptiles onto the Property.

4. Licenses to Homeowners. In consideration for their continued agreement to the terms of this Agreement, and their continued cooperation and non-opposition as to the Permits, the Conservation Easement, and other actions taken (whether in the past or in the future) by Habitat in regard to the Property (but subject to the requirements of this Agreement), Habitat agrees that it shall

grant written, recordable licenses to the owners of record of those lots within the Subdivision who have constructed certain minor landscaping or other improvements which encroach upon the Property. Provided, that such licenses shall be granted only for the limited purposes of allowing the continued minor encroachment of fences, gardens, patios, retaining walls, plantings, landscaping or similar improvements existing and constructed as of the date of this Agreement. Habitat agrees to meet with the affected owners and negotiate in good faith to allow such encroachments that do not materially interfere with, or violate, the requirements of the Permits.

5. Buffer Area; Park Areas. As further consideration for this Agreement, the parties agree to the following. Within ninety (90) days after Habitat has received or obtained all necessary Permits, Habitat shall convey to the Association by Quit Claim Deed the Buffer Area designated in Blue on Exhibit C. Habitat shall further convey to the Association by Quit Claim Deed the Park Areas designated in Green on Exhibit C. Association agrees to do or allow to be done nothing in the Buffer Area or Park Areas that would violate the Permits.

6. Conveyance to Association. The parties acknowledge and agree the certain bank stabilization vegetation must be installed, planted and allowed to grow in so as to comply with all requirements of the applicable permits, and that while such grow-in period cannot be precisely determined, it may be five (5) or more years in length. Upon the completion of such grow-in period, Habitat shall convey the Property to Association, and Association shall accept a special warranty deed from Habitat for the Property. Such conveyance shall be subject to all land conveyed or dedicated for road purposes or right-of-way, matters of record encumbering the Property, liens for state, county and local real estate taxes and special assessments becoming due after the date of conveyance and subsequent years, and zoning laws, subdivision regulations and other laws and ordinances regulating the use (or improvements to) the Property, matters the existence of which would be disclosed by an accurate survey of the Property, and the Conservation Easement. Habitat shall pay for recording the deed for the Property to Association.

7. Use of Property Until Conveyance. Habitat agrees to reasonably cooperate with Association so as to allow Association and its members access to and use of the Property for recreational purposes only, subject to the terms of this Agreement and provided such use does not interfere with the Permits, the Conservation Easement, or Habitat's obligations or activities thereunder. Habitat and Association shall establish use rules and regulations as may be necessary to protect the Property and to prevent other loss, damage, casualty, or injury to persons or property. The Association and its members shall assume any and all risks associated with use by Association or its members of the Property, including without limitation the possibility of death, personal injury, or property damage of any kind or nature whatsoever and risks resulting from the condition of the Property, all such risks being known and appreciated by the Association and its members.

8. Insurance. As further consideration for the access described in Paragraph 6 above, Association shall at all times prior to its receipt of title to the Property maintain a policy of commercial general liability insurance (sometimes known as broad form comprehensive general liability insurance) insuring Association against liability for bodily injury, property damage (including loss of use of property) and personal injury arising out of the use of the Property by the Association, its members, and their respective guests, agents, licensees, and invitees. Association shall obtain an endorsement to the policy of insurance, naming Habitat as an additional insured. The amount of such insurance shall be not less than \$1 million per occurrence, and shall be primary and non-contributing and contain cross-liability endorsements. Association shall provide Habitat with certificates of insurance upon request. Association agrees to protect, indemnify, defend and hold harmless Habitat, its members, managers, agents and employees, from and against any and all claims, actions, damages, suits, judgments, decrees, orders, liability and expense (including, without limitation, settlement costs and reasonable attorneys' fees) in connection with any accident, loss of life, personal injury and/or damage to property and/or any other claim arising from or out of any occurrence in connection with the use by Association, its members, or their respective guests, agents, licensees, or invitees, of the Property or any part thereof.

9. Mutual Release.

(a) Habitat hereby forever releases and discharges Association and its officers, directors, members, and shareholders (former and current), attorneys, agents, employees, assigns, successors, and all other persons, firms, or corporations who are or might be liable, from all claims, rights of action, causes of action, and demands of every kind and character which Habitat has or under any circumstances could or might have against the persons, firms, and corporations herein released on account of, arising out of, resulting from, or in any manner pertaining to any and all loss, costs, or damages whatsoever, whether known or unknown, resulting or which might hereafter result to Habitat arising out of or related in any way to the Claims, the Permits, or the Property, and any other agreements, permits, regulations, or requirements, written or otherwise, serving as the bases for the Claims (except for Association's separate obligations under this Agreement).

(b) Association, for itself and on behalf of its members, hereby forever releases and discharges Habitat, Crimson Ridge, Rodrock, and Foundation (Crimson Ridge, Rodrock, and Foundation being intended third party beneficiaries of this Agreement), and their respective officers, directors, members, and shareholders (former and current), attorneys, agents, employees, assigns, successors, and all other persons, firms, or corporations who are or might be liable, from all claims, rights of action, causes of

action, and demands of every kind and character which Association and/or its members have or under any circumstances could or might have against the persons, firms, and corporations herein released on account of, arising out of, resulting from, or in any manner pertaining to any and all loss, costs, or damages whatsoever, whether known or unknown, resulting or which might hereafter result to Association or its members arising out of or related in any way to the Claims, the Permits, or the Property, and any other agreements, permits, regulations, or requirements, written or otherwise, serving as the bases for the Claims (except for Habitat's separate obligations under this Agreement).

10. Review of Counsel. All parties to this Agreement and their respective counsel (if any) have reviewed this Agreement, find it to be a fair and reasonable compromise of all issues existing between them, and agree to be bound by its terms. This Agreement resolves disputed claims and its execution shall not constitute nor be construed as an admission of any liability or any fact by either party by whom liability is expressly denied. This Agreement shall not be effective until signed by all parties.

11. Miscellaneous. This Agreement shall be governed and interpreted in accordance with the laws of the State of Kansas without regard to choice of law principles. This Agreement may be executed in multiple counterparts, all of which together shall constitute one Agreement. This Agreement constitutes the entire agreement between and among the parties with respect to the matters described herein and supersedes any prior oral or written agreements, if any, between and among the parties relating to any aspect thereof. This Agreement may be modified or amended only by a written instrument duly executed by the parties to this Agreement after the date hereof. The invalidity of any provision of this Agreement shall not affect the enforceability of any other provision hereof.

12. Authority. Habitat hereby represent and warrants to Association that it has all necessary power and authority to execute and deliver and perform the terms and obligations of this Agreement and to execute and deliver the documents required of Habitat herein, and such execution and delivery has been duly and validly authorized and approved by all necessary proceedings. Association hereby represent and warrants to Habitat that it has all necessary power and authority to execute and deliver and perform the terms and obligations of this Agreement and to execute and deliver the documents required of Association herein, and such execution and delivery has been duly and validly authorized and approved by all necessary proceedings.

IN WITNESS THEREOF, this Agreement has been duly executed by each of the parties hereto the date and year first above written.

HABITAT-KANSAS, LLC

By: _____

Printed Name: _____

Title: _____

Date: _____

CRIMSON RIDGE HOMES ASSOCIATION

By: _____

Printed Name: _____

Title: _____

Date: _____

EXHIBIT A

[Legal Description of the Property]

EXHIBIT B

[Exceptions from Conservation Easement]

EXHIBIT C

(Depiction of the Area)