

BEFORE THE STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION

In re: Corkscrew Mitigation, LLC.

10097 Cleary Blvd., Suite 303
Plantation, FL. 33324

OGC Case No. 21-0304

Petition for Variance from
Provisions of Rule[s] 62-342.700(5)(b),
and 62.342.700(10)(b) F.A.C.

DEP File No.: 0198035-084

ORDER GRANTING PETITION FOR VARIANCE

On March 23, 2021, Nason Yeager Gerson Harris & Fumero, P.A., on behalf of Corkscrew Mitigation, LLC., (Petitioner), filed a petition with the Florida Department of Environmental Protection (Department) requesting a section 120.542, Florida Statutes (Fla. Stat.), variance from the requirements of 62-342.700(5)(b) and 62-342.700(10)(b), Florida Administrative Code (F.A.C.). Rule 62-342.700(5)(b) F.A.C., requires that a surety or performance bond agreement be worded in substantial conformance with the form incorporated therein. The Petitioner seeks a variance to use an amended form that includes the U.S. Army Corps of Engineers (Corps), such that a single fund may be used to satisfy the requirements of both agencies. The Petitioner intends to use a performance bond to satisfy the financial assurance requirements for the construction and implementation of the Corkscrew Regional Mitigation Bank. Rule 62-342.700(10)(b), F.A.C., requires that a standby trust fund be worded in substantial conformance with the form incorporated therein. The Petitioner intends to use a standby trust to satisfy the financial assurance requirements for the construction and implementation of the Corkscrew Regional Mitigation Bank.

Notice of receipt of the petition was published in the Florida Administrative Register on March 25, 2021. No public comment was received.

BACKGROUND AND APPLICABLE REGULATORY CRITERIA

The Corkscrew Regional Mitigation Bank, (CRMB) is an approximately 632.5-acre mitigation bank within Lee County, in Section 20, Township 46 South, Range 27 East, originally permitted June 4, 2004, Permit No. 0198035-001.

In addition to the state authorization, the Corps issues a federal authorization for all mitigation banks in the state of Florida that are used to mitigate for federally authorized wetland and surface water impacts. The amended performance bond and standby trust fund forms allow for one financial assurance instrument to satisfy the requirements of both state and federal regulations. The amended language has been reviewed and approved by the Department to ensure the requirements and intent of 62-342 F.A.C. have been met.

The applicable rules state in pertinent part: “The surety or performance bond shall be worded in substantial conformance with Form 62-342.700(5), “Mitigation Bank Performance Bond to Demonstrate (Construction and Implementation or Perpetual Management) Financial

Assurance (June 12, 2018), which is incorporated by reference herein and available at <http://www.flrules.org/Gateway/reference.asp?No=Ref-09498>.” Deviations from the form shall be identified and submitted to the Agency. The subject variance has been requested because the amended performance bond agreements for construction and implementation, and perpetual management, are not worded in substantial conformance with the form incorporated in 62-342.700(5)(b), F.A.C.

The applicable rules state in pertinent part: “The standby trust agreement shall be worded in substantial conformance with Form 62-342.700(10), “Mitigation Bank Standby Trust Fund Agreement to Demonstrate (Construction and Implementation or Perpetual Management) Financial Assurance” (June 12, 2018) [available at <http://www.flrules.org/Gateway/reference.asp?No=Ref-09502>” and as described in paragraph (5)(b), above], incorporated by reference herein. Deviations from the form shall be identified and submitted to the Agency. The subject variance has been requested because the amended standby trust fund agreements for construction and implementation, and perpetual management, are not worded in substantial conformance with the form incorporated in 62-342.700(10)(b), F.A.C.

THE VARIANCE WILL MEET THE UNDERLYING
PURPOSE OF THE STATUTE

Section 120.542(2), Fla. Stat., states “variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when application of a rule would create a substantial hardship or would violate principles of fairness.” The variance procedure is intended to provide relief from unreasonable, unfair, and unintended results in unique cases.

Section 373.4135, F.S., states in part, “[T]he Legislature finds that the adverse impacts of activities regulated under this part may be offset by the creation, maintenance, and use of mitigation banks and offsite regional mitigation. Mitigation banks and offsite regional mitigation can enhance the certainty of mitigation and provide ecological value due to the improved likelihood of environmental success associated with their proper construction, maintenance, and management.”

Section 373.4136(1), F.S., states in part, “[T]he department and the water management districts may require permits to authorize the establishment and use of mitigation banks. A mitigation bank permit shall also constitute authorization to construct, alter, operate, maintain, abandon, or remove any surface water management system necessary to establish and operate the mitigation bank. To obtain a mitigation bank permit, the applicant must provide reasonable assurance that: (i) it can meet the financial responsibility requirements prescribed for mitigation banks.” Further, section 373.4136(11), F.S states “The department and water management district may adopt rules to implement the provisions of s. 373.4135 and this section, which shall include, but not be limited to, provisions: (a) Requiring financial responsibility for the construction, operation, and long-term management of a mitigation bank.”

A mitigation bank must provide financial responsibility for the construction and implementation of all activities associated with the restoration of the ecological function, as well as the perpetual management of those functions.

The Petitioner demonstrated that the purpose of the underlying statute will continue to be achieved with the modified Performance Bond and Standby Trust Fund Agreements. CRMB has already fully funded the performance bond.

SUBSTANTIAL HARDSHIP TO THE PETITIONER

“Substantial hardship” means a demonstrated economic, technological, legal, or other type of hardship to the person requesting the variance or waiver,” Section 120.54(2), Fla. Stat.

Petitioner requests a variance of the strict application of Rule 62-342.700(5)(b) and Rule 62-342.700(10)(b), F.A.C., because applying the rules create a substantial economic hardship to the Petitioner.

Strict application of 62-342.700(5)(b), F.A.C., would create a substantial hardship as the Corps is unable to accept the Department’s existing form language and will require duplicate financial assurance. The current construction and implementation financial assurance amount funded by performance bond is \$292,531.80. If a variance is not granted, a duplicate financial assurance would be required by the Corps, resulting in a total of \$585,063.60 with no additional works proposed. The performance bond is adequately funded to carry out the construction and implementation of CRMB. This variance pertains only to short term financial assurance mechanisms for construction and implementation. The modified performance bond and standby trust fund agreements meet the intent of the statute. The above dollar amounts are subject to change, based on potential cost estimate corrections, and whether permit compliance requirements necessitate revision to these figures.

THEREFORE, IT IS ORDERED:

Based on the foregoing reasons, the Petitioner has demonstrated that it has met the requirements for a variance of 62-342.700(5)(b) and 62-342.700(10)(b), F.A.C. PETITIONERS REQUEST FOR A VARIANCE IS GRANTED.

This variance shall remain in effect for the duration of Permit No. 0198035-001, as modified.

The Petitioner will apply to the Department for a permit modification within one year of the issuance of this variance, including the relevant financial assurance documentation require by Rule 62-342.700, F.A.C.

NOTICE OF RIGHTS

This action is final and effective on the date filed with the Clerk of the Department unless a petition for an administrative hearing is timely filed under Sections 120.569 and 120.57, F.S., before the deadline for filing a petition. On the filing of a timely and sufficient petition, this action will not be final and effective until further order of the Department. Because the administrative hearing process is designed to formulate final agency action, the hearing process may result in a modification of the agency action or even denial of the request for a variance or waiver.

Petition for Administrative Hearing

A person whose substantial interests are affected by the Department’s action may petition for an administrative proceeding (hearing) under Sections 120.569 and 120.57, F.S. Pursuant to Rule 28-

106.201, F.A.C., a petition for an administrative hearing must contain the following information:

(a) The name and address of each agency affected and each agency's file or identification number, if known;

(b) The name, address, telephone number, and any e-mail address of the petitioner; the name, address, telephone number, and any e-mail address of the petitioner's representative, if any, which shall be the address for service purposes during the course of the proceeding; and an explanation of how the petitioner's substantial interests are or will be affected by the agency determination;

(c) A statement of when and how the petitioner received notice of the agency decision;

(d) A statement of all disputed issues of material fact. If there are none, the petition must so indicate;

(e) A concise statement of the ultimate facts alleged, including the specific facts that the petitioner contends warrant reversal or modification of the agency's proposed action;

(f) A statement of the specific rules or statutes that the petitioner contends require reversal or modification of the agency's proposed action, including an explanation of how the alleged facts relate to the specific rules or statutes; and

(g) A statement of the relief sought by the petitioner, stating precisely the action that the petitioner wishes the agency to take with respect to the agency's proposed action.

The petition must be filed (received by the Clerk) in the Office of General Counsel of the Department at 3900 Commonwealth Boulevard, Mail Station 35, Tallahassee, Florida 32399-3000. Also, a copy of the petition shall be mailed to the applicant at the address indicated above at the time of filing.

Time Period for Filing a Petition

In accordance with Rule 62-110.106(3), F.A.C., petitions for an administrative hearing must be filed within 21 days of receipt of this written notice. The failure to file a petition within the appropriate time period shall constitute a waiver of that person's right to request an administrative determination (hearing) under Sections 120.569 and 120.57, Fla. Stat. or to intervene in this proceeding and participate as a party to it. Any subsequent intervention (in a proceeding initiated by another party) will be only at the discretion of the presiding officer upon the filing of a motion in compliance with Rule 28-106.205, F.A.C.

Extension of Time

Under Rule 62-110.106(4), F.A.C., a person whose substantial interests are affected by the Department's action may also request an extension of time to file a petition for an administrative hearing. The Department may, for good cause shown, grant the request for an extension of time. Requests for extension of time must be filed with the Office of General Counsel of the Department at 3900 Commonwealth Boulevard, Mail Station 35, Tallahassee, Florida 32399-3000, before the applicable deadline for filing a petition for an administrative hearing. A timely request for extension of time shall toll the running of the time period for filing a petition until the request is acted upon.

Mediation

Mediation is not available in this proceeding.

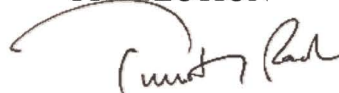
Judicial Review

Once this decision becomes final, any party to this action has the right to seek judicial review pursuant to Section 120.68, F.S., by filing a Notice of Appeal pursuant to Rules

9.110 and 9.190, Florida Rules of Appellate Procedure, with the Clerk of the Department in the Office of General Counsel, 3900 Commonwealth Boulevard, M.S. 35, Tallahassee, Florida 32399-3000; and by filing a copy of the Notice of Appeal accompanied by the applicable filing fees with the appropriate District Court of Appeal. The Notice of Appeal must be filed within 30 days from the date this action is filed with the Clerk of the Department.

DONE AND ORDERED this 22 day of April 2021 in Tallahassee, Florida.

STATE OF FLORIDA
DEPARTMENT OF
ENVIRONMENTAL
PROTECTION



Timothy Rach
Program Administrator
Submerged Lands and Environmental
Resources Coordination Program

Attachments:

Mitigation Bank Performance Bond Agreement to Demonstrate Construction and Implementation Financial Assurance
Mitigation Bank Standby Trust Fund Agreement to Demonstrate Construction and Implementation Financial Assurance

Copies furnished to:

Susan Roeder Martin, Nason Yeager P.A., smartin@nasonyeager.com
Tim Rach, DEP, timothy.rach@floridadep.gov
Donna Kendall, DEP, donna.kendall@floridadep.gov
Ravi Sharma, DEP, ravi.sharma@floridadep.gov
Steven Currie, USACE, Steven.J.Currie@usace.army.mil
Tim Durham, Corkscrew Regional Mitigation Bank, timpdurham@gmail.com
Joint Administrative Procedures Committee
Mitigation Banking File

CERTIFICATE OF SERVICE

The undersigned hereby certifies that this Order, including all copies, were mailed before the close of business on April 22, 2021, to the abovelisted persons.

FILING AND ACKNOWLEDGMENT

FILED, on this date, under 120.52(7) of the Florida Statutes, with the designated Department Clerk, receipt of which is hereby acknowledged.



04/22/2021

Clerk

Date

STATE OF FLORIDA

Mitigation Bank Performance Bond
To Demonstrate Construction and Implementation
Financial Assurance

Bank: Corkscrew Regional Mitigation Bank

Bond Obligees: Florida Department of Environmental Protection (DEP)
2600 Blair Stone Rd., Mail Station #2500,
Tallahassee, FL. 32399.
DEP Permit number: 0198035-001

Army Corps of Engineers (Corps)
701 San Marco Blvd.
Jacksonville, Florida 32207
Mitigation Banking Instrument number:

Date bond executed: _____

Period of coverage: This Bond shall continue to be effective until notification is received from the Agency that the Agency has released, in writing, the Principal from the financial assurance requirements in Rule 62-342.700, F.A.C., and the U.S. Army Corps of Engineers ("Corps") has released, in writing, the Principal from the financial assurance requirements in 33 C.F.R. § 332.3(n).

Effective date: _____

Principal: Corkscrew Mitigation LLC
10097 Cleary Blvd., Suite 303,
Plantation Fla. 33324

Type of Organization: A Florida LLC

Surety(ies): Travelers Casualty and Surety Company of America
One Tower Square
Hartford, CT 06183

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Scope of coverage: Construction and Implementation of the Corkscrew Regional Mitigation Bank pursuant to the requirements of permit number 0198035-001 ("Mitigation Bank Permit"), issued by the Florida Department of Environmental Protection, and Mitigation Bank Instrument number SAI-1998-04673 approved by the U.S. Army Corps of Engineers ("Corps") including the plans approved by said permit/instrument.

Total penal sum of bond: \$ _____

Surety's bond number: _____

Know All Persons By These Presents, that we, the Principal and Surety(ies) hereto are firmly bound to the Agency and the Corps in the above penal sum for the payment of which we bind ourselves, our heirs, executors, administrators, successors, and assigns jointly and severally; provided that, where the Sureties are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" only for the purpose of allowing a joint action or actions against any or all of us, and for all other purposes each Surety binds itself, jointly and severally with the Principal, for the payment of such sum only as is set forth opposite the name of such Surety, but if no limit of liability is indicated, the limit of liability shall be full amount of the penal sum.

WHEREAS, in order to construct and implement the Mitigation Bank identified above, said Principal is required to have an environmental resource permit pursuant to Section 373.4136, Florida Statutes, as amended, and a Mitigation Banking Instrument, pursuant to 33 C.F.R part 332; and

WHEREAS, said Principal is required by Section 373.4136, Florida Statutes, 62-342.700, *Florida Administrative Code*, and 33 C.F.R. § 332.3(n), to provide financial assurance for the construction and implementation of the Mitigation Bank as a condition of the permit(s)/instrument as further described in the scope of coverage above, and

WHEREAS, said Principal shall establish a standby mechanism as is required for the surety bond to provide such financial assurance;

NOW, THEREFORE, the conditions of the obligation are such that if the Principal shall faithfully construct and implement the Corkscrew Regional Mitigation Bank, for which this bond guarantees construction and implementation, as required by Agency permit number 0198035-001 ("Permit") and Corps Mitigation Banking Instrument number SAI-1998-04673, ("Instrument") and the plans approved by such permit/instrument, as such permit/instrument and plans may be amended, pursuant to all applicable laws, statutes, rules, and regulations, as such laws, statutes, rules, and regulations may be amended,

Or, if the Principal shall provide alternate financial assurance, as specified in the administrative rules of the Agency, and obtain the Agency's and the Corps' written approval of

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such assurance, within 90 days after the date notice of cancellation is received by the Principal, the Agency, and the Corps from the Surety(ies), then this obligation shall be null and void, otherwise it is to remain in full force and effect.

Such obligation does not apply to any of the following:

(a) Any obligation of Corkscrew Mitigation LLC under a workers' compensation, disability benefits, or unemployment compensation law or other similar law;

(b) Bodily injury to an employee of Corkscrew Mitigation LLC (Mitigation Bank Sponsor's Name) arising from, and in the course of, employment by Corkscrew Mitigation LLC;

(c) Bodily injury or property damage arising from the ownership, maintenance, use, or entrustment to others of any aircraft, motor vehicle, or watercraft;

(d) Property damage to any property owned, rented, loaned to, in the care, custody, or control of, or occupied by Corkscrew Mitigation LLC that is not the direct result of a construction and implementation activity for the Corkscrew Regional Mitigation Bank required pursuant to Agency permit number 0198035-001 and/or the Corps Mitigation Banking Instrument number SAI-1998-04673;

(e) Bodily injury or property damage for which Corkscrew Mitigation LLC is obligated to pay damages by reason of the assumption of liability in a contract or agreement.

The Surety(ies) shall become liable on this bond obligation only when the Principal has failed to fulfill the conditions described above.

Upon joint notification by the Agency and the Corps that the Principal has been found in violation of the requirements the Permit and/or Mitigation Banking Instrument, by failing to perform the construction and implementation activities for the Corkscrew Regional Mitigation Bank for which this bond guarantees performance, the Surety(ies) shall, within 60 days of receiving such notice, either perform such construction and implementation activities in accordance with the written directions of the Agency and Corps, or place the bond amount guaranteed for the Corkscrew Regional Mitigation Bank (the total penal sum of this bond) into the standby trust fund as directed by the Agency and Corps.

Upon notification by the Agency or the Corps or both that the Principal has failed to provide alternate financial assurance and obtain written approval of such assurance from the Agency and the Corps during the 90 days following receipt by the Principal, the Agency, and the Corps of a notice of cancellation of the bond, the Surety(ies) shall place funds in the amount guaranteed for the Corkscrew Regional Mitigation Bank (the total penal sum of this bond) into the standby mechanism as directed by the Agency and/or Corps. In no circumstance shall funds be released to the Corps.

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The Surety(ies) hereby waive(s) notification of amendments to the Corkscrew Regional Mitigation Bank plans, permits, applicable laws, statutes, rules, and regulations and agree(s) that no such amendment shall in any way alleviate its (their) obligation on this bond.

Notice Requirements.

In addition to all other requirements imposed on the Principal and Surety herein, the Surety shall provide the following notices to the Agency and Corps:

- a. The Surety shall provide notice to the Agency and the Corps at least 120 days in advance of any termination or revocation of this Bond by the Surety; and
- b. The Surety shall provide notice to the Corps at least 120 days in advance of any increase or reduction in the Total Penal Sum of this Bond made in accordance with Paragraph 4 below.

PROVIDED HOWEVER, that this Bond is executed by the Surety and accepted by the Agency and the Corps and is further subject to the following conditions:

1. The liability of the Surety(ies) shall not be discharged by any payment or succession of payments hereunder, unless and until such payment or payments shall amount in the aggregate to the penal sum shown on the face of the bond, but in no event shall the obligation of the Surety(ies) hereunder exceed the amount of said penal sum.
2. The Surety(ies) may cancel the bond by sending notice of cancellation by certified mail to the Principal, Agency, and Corps; provided, however that cancellation shall not occur during the 120 days beginning on the date of receipt of the notice of cancellation by both the Principal, the Agency, and the Corps, as evidenced by the return receipts.
3. The Principal may terminate this bond only by sending written notice to the Surety(ies), the Agency, and the Corps; provided, however, that no such termination shall become effective until the Surety(ies) receive(s) written authorization for termination of the bond by the Agency and the Corps.
4. Principal and Surety(ies) hereby agree to adjust the penal sum of the bond every two years so that it guarantees increased or decreased construction and implementation cost provided that no decrease in the penal sum takes place without the written permission of the Agency, after notice to the Corps, or if so required by the Corps, after notice to the Agency. The Principal can agree, during the notice period, to maintain the penal sum of the bond until released by the Corps, to satisfy the financial assurance requirements of the Mitigation Banking Instrument. If the Principal does not request the penal sum of the bond be maintained, the Principal must propose new financial assurances, as required by the Mitigation Banking Instrument.

IN WITNESS WHEREOF, the Principal and Surety(ies) have executed this Performance Bond and have affixed their seals on the date set forth above.

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The persons whose signatures appear below hereby certify that they are authorized to execute this surety bond on behalf of the Principal and Surety(ies) and that the wording of this Performance Bond is substantially similar to Form No. 62-342.700(X) which form has been incorporated by reference as an administrative rule in Rule 62-342.700 of the Florida Administrative Code.

PRINCIPAL

CORPORATE SURETY

Signature

Name and Address

Type Name and Title

State of Incorporation

Corporate Seal

[Type here]

STATE OF FLORIDA

MITIGATION BANK JOINT STANDBY TRUST FUND AGREEMENT TO
DEMONSTRATE CONSTRUCTION AND IMPLEMENTATION
FINANCIAL ASSURANCE

TRUST AGREEMENT, the "Agreement," entered into as of _____, 2021 by and between Corkscrew Mitigation, LLC, a Florida Limited Liability Company (the Grantor), and Truist Bank, 919 East Main Street, 5th Floor, Richmond, VA 23219, incorporated in North Carolina, (the Trustee).

WHEREAS, Grantor is the owner of certain real property in Lee County, Florida, and has received from the Florida Department of Environmental Protection ("Agency") that certain permit number 0198035-001 ("Mitigation Bank Permit"), as modified from time to time, and from the U.S. Army Corps of Engineers ("Corps") that certain Mitigation Banking Instrument number SAJ-1998-04673, as modified from time to time ("Mitigation Banking Instrument"), which authorizes the establishment, operation, and use (generally referred to as construction and implementation) of the Corkscrew Regional Mitigation Bank;

WHEREAS, the Agency, a Florida state agency created under Section 20.255 of the Florida Statutes, has established certain regulations applicable to the Grantor, requiring that a Mitigation Bank permittee shall provide assurance that funds will be available when needed for corrective action if Grantor fails to construct and implement that Mitigation Bank;

WHEREAS, the Corps has established certain regulations at 33 C.F.R. Part 332, applicable to the Grantor, that requires the Mitigation Banking Sponsor to provide a funding mechanism for the construction and implementation of the Mitigation Bank;

WHEREAS, the Grantor has elected to establish a surety bond to provide all or part of such financial assurance for the Corkscrew Regional Mitigation Bank identified herein and is required to establish a standby trust fund able to accept payments from that instrument;

WHEREAS, the Grantor, acting through its duly authorized officers, has selected the Trustee to be the trustee under this agreement, and the Trustee is willing to act as trustee;

NOW, THEREFORE, the Grantor and the Trustee agree as follows:

Section 1. Definitions. As used in this Agreement:

(a) The term "Grantor" means the Corkscrew Mitigation, LLC who enters into this Agreement and any successors or assigns of the Grantor.

(b) The term "Trustee" means Truist Bank, the Trustee who enters into this Agreement and any successor Trustee.

(c) The term "Agency" means the Florida Department of Environmental Protection, a public entity in the State of Florida or any successor thereof.

(d) The term "Corps" means the U.S. Army Corps of Engineers, a United States federal agency under the Department of Defense.

(e) The term "investment obligations" means:

(i) United States of America Treasury and Federal agency securities or other obligations issued or unconditionally guaranteed as to principal and interest by the United States of America, in each case with maturities of not more than one year from the date acquired;

(ii) Demand deposits, certificates of deposit, bankers acceptances and time deposits of any bank organized or licensed to conduct a banking business under the laws of the United States of America or any state thereof having capital, surplus and undivided profits of not less than \$100,000,000, and whose deposits are insured by the Federal Deposit Insurance Corporation or any successor thereof;

(iii) Securities of entities incorporated under the laws of the United States of America or any State thereof commonly known as "commercial paper" that at the time of purchase have been rated and the ratings for which are not less than "P1" if rated by Moody's Investors Services, Inc., and not less than "A1" if rated by Standard and Poor's Corporation, in each case with maturities of not more than one year from the date acquired;

(iv) State or local government securities, which debt obligations at the time of purchase are rated investment grade by one or more nationally recognized rating agencies, in each case with maturities of not more than one year from the date acquired;

(v) Repurchase obligations with any banking or financial institution described in clause (ii) above which are fully collateralized at all times by any of the foregoing obligations;

(vi) Corporate fixed income securities whose ratings at the time of purchase are rated not less than "A-" if rated by Standard and Poor's Corporation and "A3" if rated by Moody's Investors Services, Inc. in each case with maturities of not more than one year from the date acquired; and

(vii) Investments in any one or more professionally managed money market funds generally regarded as investment grade with a portfolio size of not less than \$100,000,000.

Section 2. Identification of Cost Estimates. This Agreement pertains to the cost estimate for construction and implementation of the Corkscrew Regional Mitigation Bank identified in the Mitigation Bank Permit or provided to the Agency in accordance with Rule 62-342.700, F.A.C. and identified in the Mitigation Banking Instrument in accordance with 33 C.F.R. 332.3(n)(2).

Section 3. Standby Trust. This trust shall remain dormant until funded with the proceeds from the Mitigation Bank Performance Bond to Demonstrate Construction and Implementation Financial Assurance financial mechanism listed on Attachment A, or subsequent Agency and Corps-approved

sureties established for this purpose. The Trustee shall have no duties or responsibilities beyond safekeeping this Document. Upon funding this trust shall become active and be administered pursuant to the terms of this instrument.

Section 4. Establishment of Fund. The Grantor and the Trustee hereby establish a trust fund ("Fund"), for the benefit of the Agency and the Corps (hereafter sometimes referred to as the "Beneficiaries"). The Grantor and the Trustee intend that no third party have access to the Fund except as herein provided. The Fund is established initially as a standby to receive payments and shall not consist of any property. Payments made by the Grantor pursuant to the joint instructions of the Agency and the Corps are transferred to the Trustee and referred to as the Fund, together with all earnings and profits thereon, less any payments or distributions made by the Trustee pursuant to this Agreement. The Fund shall be held by the Trustee, IN TRUST for the benefit of the Agency and the Corps, as hereinafter provided. The Trustee shall not be responsible, nor shall it undertake any responsibility for the amount or adequacy of, nor any duty to collect from the Grantor, any payments necessary to discharge any liabilities of the Grantor established by the Agency or the Corps.

Section 5. Initial Payments Comprising the Fund. Initial Payments made to the Trustee for the Fund shall consist of cash or securities acceptable to the Trustee and shall consist initially of proceeds from the Mitigation Bank Performance Bond to Demonstrate Construction and Implementation Financial Assurance identified in Attachment A hereto.

Section 6. Additional Payments into the Fund. After the initial deposit of principal into the Fund, the Grantor shall increase the principal if so required by the Agency, after notice to the Corps, or if so required by the Corps, after notice to the Agency, pursuant to the applicable administrative regulations and the requirements of the Mitigation Bank Permit or Mitigation Banking Instrument. Such deposit may be in cash or securities acceptable under Section 1(e) hereof.

Section 7. Payment for Completing construction and implementation. The Agency and the Corps shall provide joint instructions to the Trustee for disbursements from the Fund for the costs of completed construction and implementation of the Mitigation Bank covered by this Agreement, except with regard to funds held solely for one agency pursuant to sections 8 or 19, in which case instructions to the Trustee shall be solely from that agency. If the Grantor fails to achieve the requirements in the Mitigation Bank Permit and Mitigation Banking Instrument and the permit has been revoked, the funds shall be disbursed at the direction of the Agency and the Corps pursuant to this Section. Funds disbursed pursuant to this Section shall be used to complete construction and implementation of the Mitigation Bank in accordance with the Mitigation Bank Permit and Mitigation Banking Instrument, or to otherwise obtain alternative compensatory mitigation sufficient to offset the credits sold prior to permit revocation. In no circumstance shall funds be released to the Corps.

The Fund may not be drawn upon to cover any of the following:

- (a) Any obligation of Grantor under a workers' compensation, disability benefits, or unemployment compensation law or other similar law;
- (b) Bodily injury to an employee of Grantor arising from, and in the course of employment by Grantor;

(c) Bodily injury or non-realty property damage arising from the ownership, maintenance, use, or entrustment to others by Grantor of any aircraft, motor vehicle, or watercraft;

(d) Property damage to any property owned, rented, loaned to, in the care, custody, or control of, or occupied by Grantor of the Mitigation Bank; or

(e) Bodily injury or property damage for which Grantor is obligated to pay damages by reason of the assumption of liability in a contract or agreement.

Section 8. Distribution of released funds. Upon the successful completion of works required in the Mitigation Bank Permit or Mitigation Banking Instrument, the Grantor may submit for approval a reduced cost estimate and corresponding release of funds from the Trust. The Trustee shall refund to the Grantor such amounts as the Agency, after notice to the Corps, or the Corps, after notice to the Agency, specifies and releases in writing in accordance with its approval of the cost adjustment. However, the Grantor may, within the notice period in Section 20(b), request the Trustee maintain all or part of the monies in the Fund until released by the remaining beneficiary to satisfy its requirements under the Mitigation Bank Permit or Mitigation Banking Instrument, as applicable. Upon refund, such funds shall no longer constitute part of the Fund as defined herein.

Section 9. Trustee Management. The Trustee shall invest and reinvest the principal and income of the Fund in one or more investment obligations and keep the Fund invested as a single fund, without distinction between principal and income, in accordance with general investment policies and guidelines, which the Grantor may communicate in writing to the Trustee from time to time, subject, however, to the provisions of this Section. In investing, reinvesting, exchanging, selling, and managing the Fund, the Trustee shall discharge its duties with respect to the trust fund solely in the interest of the Agency and the Corps and with the care, skill, prudence, and diligence under the circumstances then prevailing which persons of prudence, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of a like character and with like aims; except that:

(a) Securities or other obligations of the Grantor, or any other owner or operator of the Mitigation Bank, or any of their affiliates as defined in the Investment Company Act of 1940, as amended, 15 U.S.C. 80a-2.(a) (February 19, 2015), which is a subsection of the Investment Company Act of 1940, 15 U.S.C. 80a-1 et seq. (February 19, 2015) that is incorporated by reference in Rule 62-342.700, F.A.C. (<http://www.flrules.org/Gateway/reference.asp?No=Ref-05064>), shall not be acquired or held, unless they are securities or other obligations of the Federal or a state government;

(b) The Trustee is authorized to invest the Fund in time or demand deposits of the Trustee, to the extent insured by an agency of the Federal or a state government; and

(c) The Trustee is authorized to hold cash awaiting investment or distribution uninvested for a reasonable time and without liability for the payment of interest thereon.

Section 10. Commingling and Investment. The Trustee is expressly authorized in its discretion:

(a) To transfer from time to time any or all of the assets of the Fund to any common, commingled, or collective trust fund created by the Trustee in which the Fund is eligible to participate, subject to all of the provisions thereof, to be commingled with the assets of other trusts participating therein; and

(b) To purchase shares in any investment company registered under the Investment Company Act of 1940, as amended, 15 U.S.C. 80a-1 et seq. (February 19, 2015), which is incorporated by reference in Rule 62-342.700, F.A.C. (<http://www.flrules.org/Gateway/reference.asp?No=Ref-05064>), including one which may be created, managed, underwritten, or to which investment advice is rendered or the shares of which are sold by the Trustee. The Trustee may vote such shares in its discretion.

Section 11. Express Power of Trustee. Without in any way limiting the powers and discretion conferred upon the Trustee by the other provisions of this Agreement or by law, the Trustee is expressly authorized and empowered:

(a) To sell, exchange, convey, transfer, or otherwise dispose of any property held by it, by public or private sale. No person dealing with the Trustee shall be bound to see to the application of the purchase money or to inquire into the validity or expediency of any such sale or other disposition;

(b) To make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

(c) To register any securities held in the Fund in its own name or in the name of a nominee and to hold any security in bearer form or in book entry, or to combine certificates representing such securities with certificates of the same issue held by the Trustee in other fiduciary capacities, or to deposit or arrange for the deposit of such securities in a qualified central depository even though, when so deposited, such securities may be merged and held in bulk in the name of the nominee of such depository with other securities deposited therein by another person, or to deposit or arrange for the deposit of any securities issued by the United States Government, or any agency or instrumentality thereof, with a Federal Reserve bank, but the books and records of the Trustee shall at all times show that all such securities are part of the Fund;

(d) To deposit any cash in the Fund in interest-bearing accounts maintained or savings certificates issued by the Trustee, in its separate corporate capacity, or in any other banking institution affiliated with the Trustee, to the extent insured by an agency of the Federal or a State government; and

(e) To compromise or otherwise adjust all claims in favor of or against the Fund.

Section 12. Taxes and Expenses. All taxes of any kind that may be assessed or levied against or in respect of the Fund and all brokerage commissions incurred by the Fund shall be paid from the Fund. All other expenses incurred by the Trustee in connection with the administration of this Trust, including fees for legal services rendered to the Trustee, the compensation of the Trustee to the extent not paid directly by the Grantor, and all other proper charges and disbursements of the Trustee shall be paid from the Fund.

Section 13. Annual Valuation. The Trustee shall annually, at least 30 days prior to the anniversary date of establishment of the Fund, furnish to the Grantor, the Agency (to the attention of the Environmental Resource Permitting Program for the Corkscrew Regional Mitigation Bank, Permit No. 0198035-001, and to the Corps (701 San Marco Blvd., Jacksonville, FL 32207, to the attention of Regulatory Division for the Corkscrew Regional Mitigation Bank, Mitigation Banking Instrument # SAI-1998-04673, a statement confirming the value of the Trust. Any securities in the Fund shall be valued at market value as of no more than 60 days prior to the anniversary date of establishment of the fund. The failure of the Grantor, the Agency, or the Corps to object in writing to the Trustee within 90 days after the statement has been furnished to the Grantor, the Agency, and the Corps shall constitute a conclusively binding assent by the Grantor, barring the Grantor from asserting any claim or liability against the Trustee with respect to matters disclosed in the statement.

Section 14. Advice of Counsel. The Trustee may from time to time consult with counsel, who may be counsel to the Grantor, with respect to any question arising as to the construction of this Agreement or any action to be taken hereunder. The Trustee shall be fully protected, to the extent permitted by law, in acting upon the advice of counsel.

Section 15. Trustee Compensation. Grantor shall pay the Trustee any necessary fees for services rendered. Where the Grantor is no longer in existence, the Trustee is authorized to charge against the Trust its published Trust fee schedule in effect at the time services are rendered. However, all Trustee compensation charged against the Trust shall be paid from trust income, unless the Agency authorizes in writing payment from the trust principal.

Section 16. Successor Trustee. The Trustee may resign or the Grantor may replace the Trustee, but such resignation or replacement shall not be effective until the Grantor has appointed a successor Trustee, the successor is approved by the Agency and the Corps, and this successor accepts the appointment. The successor Trustee shall have the same powers and duties as those conferred upon the Trustee hereunder. Upon the successor Trustee's acceptance of the appointment, the Trustee shall assign, transfer, and pay over to the successor Trustee the funds and properties then constituting the Fund. If for any reason the Grantor cannot or does not act in the event of the resignation of the Trustee, the Agency, with concurrence from the Corps, may nominate a successor. If the Agency does not act, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor Trustee or for instructions. The successor Trustee shall specify the date on which it assumes administration of the trust in a writing sent to the Grantor, the Agency, the Corps, and the present Trustee by certified mail 10 days before such change becomes effective. Any expenses incurred by the Trustee as a result of any of the acts contemplated by this Section shall be paid as provided in Section 14.

Section 17. Instructions to the Trustee. All orders, requests, and instructions by the Grantor to the Trustee shall be in writing, signed by an authorized agent or such other designees as the Grantor may designate by amendment to this agreement. The Trustee shall be fully protected in acting without inquiry in accordance with the Grantor's orders, requests, and instructions. All joint orders, requests, and instructions by the Agency and the Corps to the Trustee shall be in writing, signed by the Agency, the Corps, and the Trustee shall act and shall be fully protected in acting in accordance with such orders, requests, and instructions. The Trustee shall have the right to assume, in the absence of written notice to the contrary, that no event constituting a change or a termination of the authority of any person to act on behalf of the Grantor, the Agency, or the Corps hereunder has occurred. The Trustee shall have no duty

to act in the absence of such orders, requests, and instructions from the Grantor and the Agency and the Corps, except as provided for herein.

Section 18. Amendment of Agreement. This Agreement may be amended by an instrument in writing executed by the Grantor, the Trustee, the Agency, and the Corps or by the Trustee, the Agency, and the Corps if the Grantor dies, is legally incapacitated, is administratively or judicially dissolved or otherwise ceases to exist.

Section 19. Irrevocability and Termination. Subject to the right of the parties to amend this Agreement as provided in Section 18 and the Notice requirements of Section 20, this Trust shall be irrevocable and shall continue until terminated at the written agreement of the Grantor, the Trustee, the Agency, and the Corps, or by the Trustee, the Agency, and the Corps, if the Grantor dies, is legally incapacitated, is administratively or judicially dissolved or otherwise ceases to exist. Upon termination of the Trust, all remaining trust property, less final trust administration expenses, shall be delivered pursuant to the written agreement terminating the trust or, where Grantor has ceased to exist, then to the Agency. The Trust may be terminated only after a determination by the Agency, with notice to the Corps, or by the Corps with Notice to the Agency, that the financial assurance is no longer required pursuant to the Mitigation Bank Permit or Mitigation Banking Instrument. However, the Grantor may, within the notice period in Section 20(a), request the Trust be continued for the benefit of and until terminated by the remaining beneficiary to satisfy the requirements of the Mitigation Bank Permit or Mitigation Banking Instrument, as applicable. If the Grantor does not request the Trust to be continued, the Grantor must propose new financial assurances, in accordance with the requirements of the Mitigation Bank Permit or Mitigation Banking Instrument, as applicable.

Section 20. Notice Requirements. In addition to all other requirements imposed on the Grantor and Trustee herein, the Grantor and the Trustee shall provide the following notices to the Agency and Corps:

- (a) The Grantor and Trustee shall provide notice to the Agency and the Corps at least 120 days in advance of any termination or revocation of this Standby Trust Agreement;
- (b) The Trustee shall provide notice to the Agency and the Corps at least 120 days in advance of making any disbursements from the Fund made in accordance with Section 8, above;
- (c) The Grantor and Trustee shall provide notice to the Agency and the Corps at least 120 days in advance of any change in the amount of the Fund made in accordance with Section 6, above.

Section 21. Immunity and Indemnification. The Trustee shall not incur personal liability of any nature in connection with any act or omission, made in good faith, in the administration of this Trust, or in carrying out any directions by the Grantor, the Agency, or the Corps issued in accordance with this Agreement. The Trustee shall be indemnified and saved harmless by the Grantor or from the Trust Fund, or both, from and against any personal liability to which the Trustee may be subjected by reason of any act or conduct in its official capacity, including all expenses reasonably incurred in its defense in the event the Grantor fails to provide such defense.

Section 22. Choice of Law. This Agreement shall be administered, construed, and enforced according to the laws of the United States of America or the State of Florida.

Section 23. Interpretation. As used in this Agreement, words in the singular include the plural and words in the plural include the singular. The descriptive headings for each Section of this Agreement shall not affect the interpretation or the legal efficacy of this Agreement.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed by their respective officers duly authorized and their corporate seals to be hereunto affixed and attested as of the date first above written.

Signature of Grantor

Signature of Trustee

Title

Title

Attest: _____

Attest: _____

Title

Title

Seal

Seal

[Optional language: notary acknowledgment]

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me by means of physical presence or online notarization this _____ day of _____, 202__, by _____, on behalf of _____ a Florida LLC. Such person did not take an oath and:

_____ is/are personally known to me
_____ produced a current Florida driver's license as identification
_____ produced _____ as identification

Signature of Notary

(Notary Seal)

Name of Notary (typed, printed or stamped)
Commission number (if not legible on seal) _____
My commission expires: (if not legible on seal) _____

STATE OF FLORIDA
COUNTY OF _____

The foregoing instrument was acknowledged before me by means of physical presence or online notarization this _____ day of _____, 20__, by _____, the _____ of _____ Bank, on behalf of the corporation. Such person did not take an oath and:

_____ is/are personally known to me
_____ produced a current Florida driver's license as identification
_____ produced _____ as identification

Signature of Notary

(Notary Seal)

Name of Notary (typed, printed or stamped)
Commission number (if not legible on seal) _____
My commission expires: (if not legible on seal) _____

ATTACHMENT A

[SURETY BOND, LETTER OF CREDIT, OR INSURANCE POLICY]