**AGREEMENT TO ESTABLISH AN UMBRELLA MITIGATION BANKING INSTRUMENT IN THE WHICH RIVER BASIN FOR RIPARIAN BUFFER AND NUTRIENT OFFSET MITIGATION CREDITS PURSUANT TO THE WHICH NUTRIENT STRATEGY**

**NOTICE**: If using this template, only the highlighted text areas shall be edited. Do not change any un-highlighted text.

# PREAMBLE

This Umbrella Mitigation Banking Instrument (“Instrument”) regarding the establishment, use, operation, and maintenance of mitigation bank parcels (“Bank Parcels”) under an Umbrella Bank (“Bank”) to provide WHICH BUFFER Riparian Buffer mitigation credit (“Riparian Buffer Credits”) and WHICH Nutrient Strategy mitigation credit (“Nutrient Offset Credits”) is made and entered into by and among BANKER NAME HERE, acting as the Bank Sponsor (“Sponsor”), and the North Carolina Department of Environment and Natural Resources – Division of Water Resources (“DWR”). This Instrument is in accordance with 15A NCAC 02B .02XX (applicable buffer mitigation rule) and 15A NCAC 02B .0240.

The purpose of the Bank is:

1. To improve water quality through the restoration of riparian buffer habitat, and/or the installation of new stormwater best management practices (“BMP”), and/or the renovation of existing stormwater BMPs.
2. To provide mitigation and sell any resulting Riparian Buffer Credits and/or Nutrient Offset Credits to third parties for development (both existing and proposed) requiring such mitigation.

# GEOGRAPHIC service AREA

1. The Geographic Service Area (“GSA”) is the designated area wherein a Bank can reasonably be expected to sell Riparian Buffer Credits and/or Nutrient Offset Credits for impacts due to development activities.
2. The GSA for this Instrument is limited to Bank Parcels located within the WHICH BASIN River Basin in the State of North Carolina, United States Geological Survey (“USGS”) 8-digit Hydrologic Unit Code (“HUC”) ENTER 8-digit HUC HERE. (A specific HUC is not required in the UMBI for all Basins. However, if this is a Jordan UMBI the 8-digit HUC **03030002** is required in this document – and- if this is a Falls UMBI the following language is required: “**03020201** in the Neuse River Basin which includes only the Upper and Lower Falls Watersheds as defined in 15A NCAC 02B .0276.”
3. Sale or transfer of credit shall be limited to the 8-digit HUC in which the Bank Parcel is located. - **or** – Sale or transfer of credits shall be limited to the sub-watershed of the Jordan Lake watershed, as defined in Rule 15A NCAC 02B .0262, in which the Bank Parcel is located (Use for Jordan UMBI only).

# AUTHORITIES

1. The Bank will be used to provide Riparian Buffer Credit and Nutrient Offset Credit in accordance with the requirements in the DWR Authority document referenced herein as “Attachment A” and attached to this Instrument.
2. Projects eligible for utilization of the credits are those requiring authorization under the requirements of Attachment A.
3. All activities shall be consistent with approved North Carolina (“State”) statutes and rules for the WHICH Nutrient Sensitive Waters Management Strategy –and- for the Falls Water Supply Nutrient Strategy (use for Falls UMBI only).

# establishment of bank parcel(s)

1. Each parcel proposed for inclusion within the Bank under this Instrument shall require a Bank Parcel Development Package (“BPDP”) be submitted to, and approved by, the DWR prior to use of the parcel for mitigation purposes or sale or transfer of any associated credits.
2. Bank Parcel(s) may be added to the Bank at any time upon approval of a BPDP by the DWR.

# BANK PARCEL development package

1. Each BPDP shall include detailed information consistent with the sections below concerning: 1) site location (8-digit HUC is required); 2) existing conditions; 3) proposed buffer restoration, nutrient offset and/or stormwater BMP activities; 4) monitoring and maintenance plans; 5) financial assurances; 6) associated buffer mitigation/nutrient credit calculations, which shall include credit generation, service area, and accounting as appropriate for each regulatory authority; and 7) stream buffer determination letter from DWR (where applicable).
2. In addition to items 1-6 listed in “A” of this section, for each Bank Parcel, the Sponsor agrees to transfer or assign the conservation easement and its interests in perpetuity to a qualified holder under N.C. General Statute (“G.S.”) 121-34 et seq. and 170(h) of the Internal Revenue Code. The holder shall be a land trust or stewardship program that will hold and enforce the conservation easement and the interests. The Sponsor shall choose a land trust or stewardship program that is accredited by the Land Trust Accreditation Commission and/or has been approved by DWR prior to the end of the fourth year monitoring period. A land trust must be certified under 501(c) (3) of the Internal Revenue Code and must have the qualifications outlined in G.S. 105-130.24 and G.S. 105-151.12.

## Permitting

## 

1. The Sponsor will obtain all applicable federal, state, and local documentation, permits, or authorizations needed to construct and maintain the Bank Parcel. This Instrument does not qualify as, or substitute for, such documentation, permit or authorization.

## Construction

1. The placement of BMPs constructed or renovated to produce Nutrient Offset Credit must be approved by DWR prior to construction or renovation.
2. The Sponsor agrees to perform all necessary work, in accordance with the provisions of this Instrument, to establish, maintain, and monitor WHICH Riparian Buffers or other riparian areas or to install and/or renovate stormwater BMPs until Item B (1) and (2) of Section IX have been satisfied.
3. As-Built Reports: The Sponsor will submit an as-built plan and report for each Bank Parcel within 30 calendar days after completing the establishment of the buffer area, nutrient offset area and/or construction or renovation of the stormwater BMP(s). The as-built report will describe any deviation from the approved BPDP and will document the following:
   1. Buffer restoration: planting details, invasive species control, monitoring device locations, vegetation plot locations, photo point locations, surface and groundwater elevations, as appropriate.
   2. Stormwater BMPs: outlet structure information, surface area/volume computations, hydrograph routing information, planting details, monitoring device locations, photo point locations as appropriate.
   3. Boundary Survey of the conservation easement area including an enumeration of the final mitigation area for buffer and/or nutrient offset mitigation credits in both square feet and acres.

## Operation and Maintenance

1. The Sponsor will provide the DWR with the necessary operation and maintenance agreements for the newly constructed or renovated stormwater BMPs. These agreements shall be consistent with the standards adopted by the DWR and must be approved by the DWR prior to the release of any credits.
2. The Sponsor agrees to perform all necessary work to operate and maintain the Bank Parcel(s) consistent with the operation and maintenance criteria established in each approved BPDP until Item B (1) and (2) of Section IX have been satisfied.
3. Requests for deviation from the approved BPDP must be submitted to the DWR in writing. Written approval from the DWR must be received prior to implementing any deviation from the approved BPDP.

**Monitoring**

1. The Sponsor shall monitor each Bank Parcel as described in the BPDP until such time as DWR determines that the success criteria described below have been met. The monitoring period shall be a minimum of five years.
2. Trees should be planted at a density sufficient to provide 320 trees per acre at maturity. To achieve this density, approximately 436 (10x10 feet spacing) to 681 (8x8 feet spacing) trees per acre should be planted initially.
3. Vegetative Success Criteria: Reporting criteria of the riparian buffer restoration shall be based on the Carolina Vegetation Survey (“CVS”) - EEP *Protocol for Recording Vegetation Level 1-2 Plot Sampling Only Version 4.0* or any updated versions of this protocol in place at the date of acceptance of the BPDP.  “Character Trees” are defined as planted or volunteer species identified from a survey of local vegetation on less degraded sections of the specified stream and from reference literature that details native species. A list of Character Tree species for each Bank Parcel will be detailed in the BPDP. Vegetative Success Criteria should be based upon guidelines set forth in the *Guidelines for Riparian Buffer Restoration* prepared by the North Carolina Ecosystem Enhancement Program (or subsequent updated versions of this Guidance in place at the date of acceptance of a BPDP).  Success will be defined as the survival of an average density of 320 planted trees per acre after five years.  If vegetative success criteria are not met, supplemental plantings may be required.  Supplemental plantings will be utilized until the required densities have been achieved and maintained for five years.
4. **Monitoring Reports for Riparian Buffer Credit or Nutrient Offset Credit (excluding Stormwater BMPs)**: The Sponsor shall submit to the DWR an annual monitoring report no later than December 31 of each year for a minimum of five years after the first full growing season. This report will describe the conditions of each Bank Parcel, including an evaluation of the success criteria contained within the approved BPDP. Reports shall contain the following:
5. A U.S. Geological Survey map showing location of the Bank Parcel(s);
6. A detailed narrative summarizing the condition of the Bank Parcel(s) and all regular maintenance activities; and
7. Appropriate topographic survey showing location of sampling plots, permanent photo points, location of transects, etc.; and
8. Monitoring data, including specific vegetative counts and photographs; and
9. A copy of the most recent Bank credit/debit ledgers; and
10. Corresponding verification letters from designated local governments; and
11. Corresponding Mitigation Transfer Certificates
12. **Operation and Maintenance Reports for Nutrient Offset Credit – Stormwater BMPs**: The Sponsor shall submit to the DWR an annual Operation and Maintenance(“O&M”)report no later than December 31 of each year for a minimum of five years after the initial installation/renovation of the stormwater BMP. This annual report shall describe the conditions of each Bank Parcel, including an evaluation of the success criteria contained within the approved BPDP. Reports shall contain the following:
    1. A U.S. Geological Survey map showing location of the Bank Parcel(s); and
    2. A detailed narrative summarizing the condition of the Bank Parcel(s) and all regular maintenance activities; and
    3. A copy of the most recent Bank credit/debit ledgers; and
    4. Corresponding verification letters from designated local governments; and
    5. Corresponding Mitigation Transfer Certificates; and
    6. Photographs of current conditions of the BMPs as well as photos showing any maintenance that has been performed on the BMPs including the corresponding dates.
13. Stormwater BMP Success Criteria: The success of a stormwater BMP will be based upon the type of BMP and its associated design criteria contained within the approved BPDP. For purposes of this agreement, the design criteria shown in the *North Carolina Division of Water Quality Stormwater Best Management Practices Manual* dated October 2007, or any updated versions of this manual, and compliance with the approved operation and maintenance agreements contained within the approved BPDP shall be the basis for judging the success of a specific device.

**Contingency Plans/Remedial Actions**

1. In the event the Bank Parcel fails to achieve the success criteria described in this Instrument and the approved BPDP, the Bank Sponsor shall develop necessary contingency plans in coordination with the DWR and implement appropriate remedial actions for the Bank Parcel and the Bank. Depending on the degree of remedial actions required, the DWR may modify the monitoring period.

## Financial Assurances

1. Following approval of the BPDP, the Sponsor shall provide a Performance Bond from a surety company that is rated no less than an “A-” as rated by A.M. Best. The Performance Bond amount shall be 100% of the estimated cost for implementation of the buffer restoration and/or stormwater BMP project as described in the approved BPDP, but not less than $150,000.00.
2. Alternatively, in lieu of posting the Performance Bond, the Sponsor may elect to construct the project prior to the first credit release.
3. After completion of the restoration/construction, a separate Performance/Maintenance Bond will be secured for 100% of the estimated cost to implement the monitoring and maintenance plan but not less than $100,000.00. The Performance/Maintenance Bond shall be in effect for a minimum of five years, and until DWR has released all mitigation credits to the Bank Sponsor. Upon DWR approval, this may be lowered each year based on the adjusted cost to complete the monitoring

# calculation of Mitigation credits and credit release schedule

1. Riparian Buffer Credit may be achieved through restoration or enhancement of the DWR riparian buffer, as defined in 15A NCAC 02B .02XX (type in the applicable buffer rule here) and per 15A NCAC 02B .02XX(type in the applicable buffer mitigation rule here).
2. Nutrient Offset Credit may be achieved through restoration or enhancement of the riparian area adjacent to surface water features. Surface water features do not have to be intermittent or perennial, nor do they have to be depicted on a USGS, NRCS, or EMC approved map. However, surface water features must be hydrologically connected and drain to jurisdictional waters that are either intermittent or perennial. The width of the restoration area begins at the most landward limit of the top of bank or the rooted herbaceous vegetation and extends landward a maximum distance of 200 feet on all sides of the surface water.
3. The mitigation accomplished in the DWR riparian buffer, as defined in 15A NCAC 02B .02XX (type in the applicable buffer rule here) and per 15A NCAC 02B .02XX(type in the applicable buffer mitigation rule here), may be used for *either* Riparian Buffer Credit or Nutrient Offset Credit, but not both and shall be subject to the same mitigation ratios.
4. Riparian Buffer Credit is defined as one (1) buffer credit per one square foot or 43,560 buffer credits per one acre.
5. Nutrient Abatement of Restored Riparian Area: The Sponsor and DWR agree:
   1. The pounds of nitrogen offset per acre of restored riparian areas shall be two thousand two hundred and seventy three pounds per acre (2,273.02 lbs/acre) or the amount of nitrogen offset per acre in effect at the time the BPDP is approved.
   2. The pounds of phosphorus offset per acre of restored riparian areas shall be one hundred forty six and four-tenths pounds per acre (146.4 lbs/acre) or the amount of phosphorus offset per acre in effect at the time the BPDP is approved.
6. Impacted areas in the Upper Falls Watershed can only mitigate in the Upper Falls Watershed. Impacted areas in the Lower Falls Watershed can mitigate in any portion of the Falls Watershed per 15A NCAC 02B .0282.

This paragraph only to be used for the Falls UMBI

1. Nutrient Offset Credits sold or transferred from approved Bank Parcels to prospective purchasers shall account for the DWR-approved transport factors between the Bank Parcel site and the location of the site or development wishing to utilize credits.

This paragraph only to be used for the Jordan UMBI

The following text to be inserted into Jordan UMBI only:

1. The following Jordan Water Supply Nutrient Strategy requirements apply
   1. Nutrient offsets can only be provided to offset impacts within the same Jordan subwatershed, as defined in 15A NCAC 02B .0262.
   2. Pursuant to the Jordan Trading Rule Item 15A NCAC 02B .0273(2)(a), load reductions eligible for credit are only those that exceed reduction needs calculated by applying the strategy subwatershed percentage reduction goals as provided in 15A NCAC 02B .0262 (5). For the Haw and Upper New Hope subwatersheds, this requirement results in a reduction of credits yielded per acre of restored riparian buffers when compared with the credits given in other river basins. Table 1.0 below lists the generated credits per acre of restored riparian buffer for each Jordan subwatershed.

**Table 1.0. Generated credit yields for forest buffer restoration by Jordan Subwatershed**

|  |  |  |
| --- | --- | --- |
|  | Credit Generated (lbs/30 yrs/ac) | |
| **Jordan Subwatershed** | **Nitrogen** | **Phosphorus** |
| Upper New Hope | 2,169.26 | 143.81 |
| Lower New Hope | 2,273.02 | 146.40 |
| Haw | 2,249.36 | 143.81 |

* 1. As required under Jordan Trading Rule Item 15A NCAC 02B .0273 (2)(d)(i), the party seeking to sale credits must account for differences in instream nutrient losses between the location of the reduction need and excess loading reduction being delivered to the affected arm of Jordan lake. Attachment B provides the delivered Jordan Lake Total Nitrogen (TN) and Jordan Lake Total Phosphorous (TP) credit yields per acre of buffer restoration by each Jordan small watershed.

Delivered credits are calculated by applying the delivery factors to the generated credit yields from Table 1.0 above and are provided in Attachment B. A map and GIS data of the small watersheds are available online at: <http://portal.ncdenr.org/web/jordanlake>.

* 1. The Bank Sponsor shall report the pounds of nitrogen and phosphorus credit per acre of restored riparian buffer in their BPDP for both credits generated at the site of the nutrient reduction activity and the credits delivered to Jordan Lake.  The Bank Sponsor shall refer to Attachment B for determining delivered credits in the Jordan watershed.
  2. Credit yields for measures that differ from forest buffer restoration shall be determined based on the proposed load reduction practice, the watersheds’ delivery factors, and the land use present at the baseline period for the site where the proposed load reduction practice occurs.

1. **Nutrient Offset Credit of Installed/Renovated Stormwater Best Management Practices**: The Sponsor and DWR agree that the pounds of nitrogen and/or phosphorus available for credit release from newly renovated or constructed stormwater BMPs shall be based upon the design calculations/nutrient export calculations submitted to and approved by the DWR as part of the BPDP.
2. The Sponsor and DWR agree that the methodology and calculations for determining nitrogen and total phosphorous reduction, including delivery factors, associated with restoration or enhancement of riparian areas, shall be fixed as part of the approval of each BPDP, with the fixed amount not changing during the development or credit release schedule for each Bank Parcel.

*This space left blank intentionally, do not add text to this space.*

1. Credit Release: Upon submittal of all appropriate documentation by the Sponsor, and subsequent approval by DWR, it is agreed that the mitigation credits associated with the Bank Parcel will become available for sale to a third party in accordance with the following schedules:

|  |  |  |
| --- | --- | --- |
| **Table I - Credit Release Schedule for Riparian Buffer and Nutrient Offset Credits (excluding Stormwater BMPs)** | | |
| **Task** | **Project Milestone** | **% Credit Available for Sale** |
| 1 | BPDP Approved by DWR, Conservation Easement Recorded\* and Financial Assurance Posted | 20 |
| 2 | Mitigation Site Earthwork, Planting and Installation of Monitoring Devices Completed | 20 |
| 3 | Monitoring Financial Assurance Posted and Approval of As-Built Report | 10 |
| 4 | Monitoring Report #1: Approved by the DWR\*\* | 10 |
| 5 | Monitoring Report #2: Approved by the DWR\*\* | 10 |
| 6 | Monitoring Report #3: Approved by the DWR\*\* | 10 |
| 7 | Item B (1) of Section IX in this Instrument has been completed and approved by DWR. | 5 |
|  | ***No remaining credits will be released until Task 7 has been satisfied*** |  |
| 8 | Monitoring Report #4: Approved by the DWR\*\* | 5 |
| 9 | Monitoring Report #5: Approved by the DWR\*\* and final site visit by DWR has been conducted | 10 |
|  | **Total** | **100%** |

\* For specification, please see Section VIII in this Instrument

\*\* DWR Approval provided upon a determination that the site is meeting success criteria contained within the approved BPDP

|  |  |  |
| --- | --- | --- |
| **Table 2 - Credit Release Schedule for Nutrient Offset Credits – Stormwater BMPs** | | |
| **Task** | **Project Milestone** | **% Credit Available for Sale** |
| 1 | BPDP Approved by DWR, Bank Closure Agreement, Drainage and Access Easements Recorded and Financial Assurance Posted, and Operation and Maintenance Agreement Approved by DWR | 20\* |
| 2 | Installation / Renovation of Stormwater BMP in accordance with approved design plans completed | 20 |
| 3 | Approval of As-Built Package | 10 |
| 4 | O&M Report #1: Approved by the DWR\* | 10 |
| 5 | O&M Report #2: Approved by the DWR\* | 10 |
| 6 | O&M Report #3: Approved by the DWR\* | 10 |
| 7 | Item B (1) of Section IX in this Instrument has been completed and approved by DWR. | 5 |
|  | ***No remaining credits will be released until Task 7 has been satisfied*** |  |
| 8 | O&M Report #4: Approved by the DWR\* | 5 |
| 9 | O&M Report #5: Approved by the DWR\* and final site visit by DWR has been conducted | 10 |
|  | **Total** | **100%** |

\* For specification, please see Section VIII in this Instrument

\*\* DWR Approval provided upon a determination that the site is meeting success criteria contained within the approved BPDP

1. DWR may modify the credit release schedule based on the information submitted or the order in which required information is received. DWR will notify the Sponsor of any modification to the credit release schedule.

# Procedure for Debiting and Crediting

1. Available mitigation credits (credits that have been released by DWR but not sold by the Sponsor) that are generated within the DWR riparian buffer, as defined by 15A NCAC 02B .02XX (type in the applicable buffer rule here) and per 15A NCAC 02B .02XX(type in the applicable buffer mitigation rule here), can be converted and transferred from Riparian Buffer Credits to Nutrient Offset Credits and from Nutrient Offset Credits to Riparian Buffer Credits. Available Nutrient Offset Credits that are generated outside of the DWR riparian buffer cannot be converted or transferred to Riparian Buffer Credits.
2. The Bank Sponsor shall obtain verification of nutrient offset need from a designated local government prior to debiting Nutrient Offset Credits from the Bank Parcel.
3. The Bank Sponsor shall obtain verification of buffer mitigation required prior to debiting Riparian Buffer Credits from the Bank Parcel.

1. The Bank Sponsor shall maintain three credit ledgers, if applicable, for each Bank Parcel under this Instrument: one accounting for buffer mitigation credits in square feet, one accounting for nitrogen offset credits in pounds, and one accounting for phosphorus offset credits in pounds.
2. Each credit ledger shall be submitted on a separate 8 ½in X 11in spreadsheet with legible font style and font size. At a minimum and unless otherwise requested by DWR, credit ledgers shall contain the following information:
   1. Bank Details listed in a header: (1) name of the approved banking instrument as it appears on the instrument document, (2) sponsor name, (3) bank parcel name as it appears on the BPDP, (4) DWR project number for the BPDP, (5) date the ledger was last updated, 6) total credits released to date.
   2. Credit Details Table with the following for each credit sale: (1) date of credit sale, (2) purchaser name, (3) project name and corresponding HUC, (4) name of designated local government requiring Nutrient Offset Credits, and/or (5) DWR authorization number or delegated local government requiring Riparian Buffer Credits for this project, (6) credits released by DWR to the Bank listed in pounds for Nutrient Offset Credits and in square feet for Riparian Buffer Credits, (7) credits debited/sold from bank listed in pounds for Nutrient Offset Credits and in square feet for Riparian Buffer Credits, (8) available credits listed in pounds and acres for Nutrient Offset Credits and in square feet and acres for Riparian Buffer Credits.
3. All credit and debit transactions for each Bank Parcel under this Instrument shall be accurately depicted in the credit ledgers. DWR shall be notified of each credit sale or credit transfer within thirty (30) calendar days by electronically submitting an updated credit ledger to DWR. At a minimum, DWR shall receive a hard copy of updated credit ledgers along with the corresponding Mitigation Credit Transfer Certificates (“Certificate”) and all corresponding letters from the designated local governments twice a year. Notification of all credit sales shall be provided to DWR until all credits that have been released have been sold.
4. All credit sales will include a Certificate that will include, at a minimum, the following information:
   1. Bank Details: (1) sponsor Name, (2) name of the approved banking instrument as it appears on the instrument document, (3) bank parcel name as it appears on the BPDP, (4) DWR project number for the BPDP.
   2. Credit Details: (1) date of receipt, (2) identify if full or partial payment, (3 – when applicable) amount of nitrogen credits purchased in pounds and confirmation from the designated local government of the amount required, (4 – when applicable) amount of phosphorous credits purchased in pounds and confirmation from the designated local government of the amount required, and (5 – when applicable) amount of Riparian Buffer Credits purchased in square feet and the confirmation from DWR or the local government of the amount required.
   3. Project Details: (1) project name as it appears on DWR or local government permits and/or certifications, (2) 8-digit HUC (or the sub-watershed if for the Jordan Lake Nutrient Strategy), (3) river basin, (4) nutrient strategy applicable to the project, (5 – when applicable) designated local government requiring Nutrient Offset Credits, and/or (6) DWR authorization number or delegated local government requiring Riparian Buffer Credits for this project.
5. If the DWR determines that the Bank is operating at a deficit (e.g. the Sponsor is closing on sales and/or transferring credit that is not available), or the Bank is selling credits out of compliance with statutes, rules or this Agreement, the sale/transfer of credits will immediately cease, and the DWR, in consultation with the Sponsor, will determine what remedial actions are necessary.

# Property Disposition and Long-term Management

1. Prior to the release of any credits, the Sponsor shall acquire a permanent conservation easement(s) and/or drainage and access easements for the Bank Parcel(s) at the County Register of Deed’s office that is sufficient to ensure protection, operation and maintenance of restored riparian buffers, other riparian areas, and/or stormwater BMPs for the duration specified in the approved BPDP.
2. The form of the conservation easement shall be consistent with the standards employed by the State of North Carolina in the protection of restored riparian buffers and riparian areas as well as any stormwater BMPs and shall be approved by the DWR prior to the release of any credits.
3. The Sponsor shall not grant additional easements, right of ways, or any other property interest in or to the project areas without prior approval from the DWR.
4. The Sponsor shall transfer or assign the Bank Parcel’s conservation easement and all of its interests to a land trust or stewardship fund as described in Item B of Section V in this Instrument. The land trust or stewardship will hold and enforce the conservation easement in perpetuity.
5. In the event that the Sponsor is also the owner of the underlying fee interest in the property, the conveyance of the conservation easement to a land trust or stewardship fund must be arranged at the outset of the approved BPDP.

# bank Parcel closure

1. Bank Parcel Closure shall be identified as the event when the Sponsor is relieved of all of its responsibilities to the Bank Parcel and there are no mitigation credits left to sell.
2. Bank Parcel Closure shall commence only after all of the following events have occurred:
   1. Transfer or assign the conservation easement and all of its interests, in perpetuity, to a land trust or stewardship program as described in Item B of Section V of this instrument.
   2. All five years of monitoring completed and all monitoring reports submitted and approved by DWR.
   3. All credits have been released and debited and updated ledgers showing a zero credit balance have been submitted and approved by DWR.

# general PROVISIONS

1. Upon the presentation of proper credentials, and during normal business hours, the Sponsor and the landowner shall grant permission to the Director, an authorized representative of the Director, or DENR staff, to enter the property containing the Bank Parcel(s).
2. Amendments: This Banking Instrument may be amended or modified only with written approval of all signatory parties.
3. Any transfer of the Sponsor’s rights or obligations outlined in this Instrument or any other agreement referenced in this Instrument to a third party must be approved by DWR prior to the transfer.
4. Force Majeure: After the sale of all available credits, the Sponsor will not be responsible for Bank failure that is attributed to natural catastrophes including but not limited to flood, drought, disease, regional pest infestation, etc. that are beyond the control of the Sponsor.
5. However, if an event occurs before DWR has released all of the credits, the Sponsor shall take remedial action to restore the property to its condition prior to the event, in a manner sufficient to provide adequate mitigation to cover credits that were sold prior to the occurrence of the event. Such remedial action shall be taken by the Sponsor only to the extent necessary and appropriate, as determined by DWR and the Sponsor.

DWR must concur in writing that a *force majeure* event has occurred for this provision to apply.

1. Oversight: Actions taken by DWR may include, but are not limited to, the following:
   1. Site visits.
   2. BPDP review and approval of items listed in Items A and B of Section V of this instrument.
   3. Monitoring Report and/or O&M report review and approval of items listed in Items M and N of Section V of this instrument.
   4. As-Built Report review and approval of items listed in Item F of Section V of this instrument.
   5. Credit Ledger review and approval of items listed in Item E and F of Section VII of this instrument.
   6. Certificate review of items listed in Item G of Section VII of this instrument and cross analysis to credit ledgers.
   7. Information requests, file reviews and audits

Reports, ledgers, files and other information shall be made available to DWR upon request, unless otherwise specified in this or any other document.

1. Validity of the Banking Instrument: This Instrument will become valid on the date of the last party’s signature.
2. Specific Language of Banking Instrument Shall Be Controlling: 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 Instrument by reference, and that are not legally binding, the specific language within the Instrument shall be controlling.
3. Any disputes over decisions regarding this Instrument, shall be referred to the Director of DWR for a decision. The Director’s decision is subject to review as provided in Articles 3 and 4 of G.S. 150B.
4. This Agreement shall be binding upon the parties and is entered into knowingly, intelligently, and voluntarily.
5. Notices: All notices and other communications which may be or are required to be given or made by any party to the other shall be in writing and shall be deemed to have been properly given and received on the date delivered in person or deposited in the United States mail, registered or certified, return receipt requested, to the addresses set out below, or at such other addresses as specified by written notice delivered in accordance herewith.

If to BANKER NAME: Banker Address

Copy to: Banker Alternate Address (if applicable)

If to DWR: NC Division of Water Resources – Wetlands Branch

Attn: Nutrient Offset Bank Coordinator

1650 Mail Service Center

Raleigh, NC  27699-1650

1. Applicable Law: This Agreement shall be construed under the laws of the State of North Carolina.

SPONSOR NAME

|  |  |  |
| --- | --- | --- |
| By: |  | (Print) |
|  |  | (Signature) |
| Title: |  |  |
| Date: |  |  |

NORTH CAROLINA DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES DIVISION OF WATER RESOURCES

|  |  |  |
| --- | --- | --- |
| By: |  | (Print) |
|  |  | (Signature) |
| Title: |  |  |
| Date: |  |  |