

Exhibit 12

Brace Farms

From: Brace Farms [bracefarms@verizon.net]
Sent: Wednesday, May 30, 2012 11:04 AM
To: 'Michael.M.Fodse@usace.army.mil'
Subject: FW: Beaver dam removal on the Waterford Farm (UNCLASSIFIED)

Michael,

With the assistance of the PA Game Commission, we have removed the beaver dams that were creating drainage problems in my farm ditches on my Waterford farm. In follow-up to your instructions of last October's letter, I was wondering if you would be available sometime in the near future to revisit my farm to make your jurisdictional determination? Should you need to contact me via telephone, I may be reached at (814)796-2174.

Thank you,

Robert Brace

-----Original Message-----

From: Fodse, Michael M LRP [mailto:Michael.M.Fodse@usace.army.mil]
Sent: Friday, October 07, 2011 1:10 PM
To: bracefarms@verizon.net
Cc: kagross@pa.gov; Boughton, Lori A; Lutte.Todd@epamail.epa.gov; earljbrown@erieconservation.com; Mullen, Nancy J LRP
Subject: Beaver dam removal on the Waterford Farm (UNCLASSIFIED)

Classification: UNCLASSIFIED
Caveats: NONE

Mr. Robert Brace



Since our meeting at your property in Waterford Pennsylvania, I spoke with Officer Darin Clark of the Pennsylvania Game Commission. Mr. Clark confirmed that the PA Game Commission would assist in the removal of the beaver dams by mechanical means.

During our site visit we observed multiple Beaver Dams that were constructed on your property. Removal of these dams does not require a permit from the US Army Corp of Engineers provided there is no discharge of dredge or fill material to Waters of the United States. The US Environmental Protection Agency provided us with an aerial photo depicting a polygon outlining the 30 acres of jurisdictional wetlands which was part of the consent decree. As that C.D. states this 30 acres is the extent of jurisdictional waters subject to Section 404 of the Clean Water Act and must be maintained as wetlands. The U.S. Army Corp of Engineers believe that the 30 acres of Waters of the United States, identified in the C.D. refer to wetlands only and not the watercourses that provide hydrology to this wetland. Therefore, once the Beaver Dams have been breached The US Army Corps of Engineers will need to conduct a Jurisdictional Determination on the channel to determine if activities (dredging) within it would require a permit under the Clean Water Act.

Due to the beaver dams, water has backed up in this channel and caused sediment to accumulate within the channel further blocking a culvert used to access another agricultural field. It is our understanding that once the beaver dams are removed you wish to clean the channel and the culvert so that the water, which is currently encroaching into your agricultural fields, can drain properly. A General

Permit 7 would need to be obtained by the Erie County Conservation for the culvert if the channel was determined to be waters of the Commonwealth and or United States. Depending on the extent of maintenance activities in this channel, a permit may be required from the USACE and PA DEP contingent upon the decision made during the Jurisdictional Determination. The Department of Environmental Protection will also need to be contacted to determine if a permit under Chapter 105 of the State Environmental Code is required to breach the Beaver Dams.

Do not hesitate to contact me if you have any additional questions or need to discuss further.

Michael M. Fodse
Regulatory Project Manager
Pittsburgh District, Corps of Engineers
1000 Liberty Ave, Suite 2200
Pittsburgh, PA 15222

Ph: 412-395-7575

Classification: UNCLASSIFIED
Caveats: NONE