UNITED STATES ENVIRONMENTAL PROTECTION AGENCY **REGION III**

EXHIBIT

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1650 Arch Street 7013 1412 26 Philadelphia, Pennsylvania 19103-2029

March 20, 2013

Robert Brace Robert Brace & Sons, Inc. 1131 Route 967 P.O. Box 338 Waterford, PA 16441

Re: Brace Farm

Dear Mr. Brace:

We are in receipt of your package of January 17, 2013 which was provided in response to the Army Corps of Engineers' Cease and Desist letter of December 12, 2012 and our follow up call on January 14, 2012.

After a careful review of this information, we believe that the activities performed such as the channel widening and/or deepening may be in violation of the Consent Decree. In addition, the area north of Hill Road where Mr. Brace indicated that drainage tiles were installed may be an unauthorized impact which required a Section 404 permit, 33 U.S.C. §1344 from the Corps. No permit applications have been received, permits granted, or exemptions verified for the recent ditching, clearing and draining activities you have conducted on these properties.

Based upon a review of the information which you provided, past documents in our possession, photographs, aerials and other material, we believe a Site visit is necessary to determine the extent and type of activities that transpired and to determine an appropriate resolution. We would like to schedule a visit for sometime in May or earlier at you convenience in the hopes that the snow cover is gone.

We look forward to resolving this matter and we thank you for your continuing cooperation.

Sincerely.

Todd Lutte

Enforcement Team Leader

Environmental Assessment and Innovation Division

Cc: Scott Hans, USACE

Ken Amaditz, DOJ