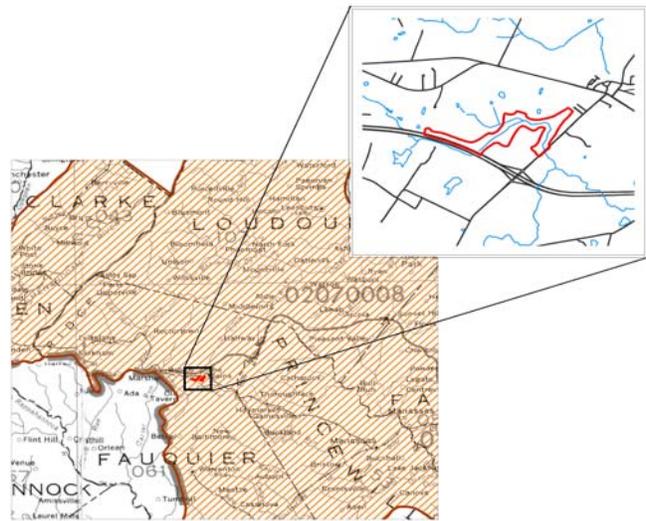




BROAD RUN WETLANDS AND STREAM BANK Prospectus



**Broad Run Wetlands, L.C.
c/o Wetland Studies and Solutions, Inc.
14088-M Sullyfield Circle
Chantilly, Virginia 20151
June 28, 2004**

Broad Run Wetlands and Stream Bank Prospectus

I. Introduction

- A. Broad Run Wetlands, L.C. proposes to establish the Broad Run Wetlands and Stream Bank, a wetland and stream mitigation bank in Fauquier County, Virginia. Phases 1 of the Bank consist of a ±60 acre easement on the north side of I-66 and West of Old Tavern Road (Rt. 245) in a portion of Fauquier County known as The Plains, Virginia. Exhibit 1 provides a vicinity map that depicts the location of Phases 1 of the Bank.
- B. The site is owned by a private entity. Broad Run Wetlands, L.C. has entered into a contract to purchase an easement on an comprising ±60 acres. Broad Run Wetlands, L.C. will construct and maintain the Bank for a ten (10) year monitoring and maintenance period, after which the easement on this site will be donated to the underlying landowner, a non-profit entity, or a governmental agency. Broad Run Wetlands, L.C. will be responsible for all monitoring and maintenance required for said ten (10) year period, as specified by the proposed Mitigation Banking Instrument (MBI).
- C. The Broad Run Wetlands and Stream Bank is expected to restore, enhance, and protect valuable wetlands, as well as upland buffers, along Broad Run and its tributaries, one of the most ecologically significant and valuable streams in Fauquier County, and a tributary of the Potomac River

II. Site Description

- A. The first phase of the Broad Run Wetlands and Stream Bank consists of ±60 acres of land around ±8,000 lf of a perennial stream that feeds into Broad Run. This land encompasses stream bed, existing wetlands, existing riparian forest, and croplands that will be converted to wetlands or forested riparian buffers.
- B. The following Exhibits depict the conditions on Phases 1 of the Broad Run Wetlands and Stream Bank:
 - 1. Exhibit 2 provides a 1994 USGS color infrared aerial photo of the site.
 - 2. Exhibit 3 provides a USGS Quad map that depicts the site's location.

III. Pre-Application Process

The Permit Applicant is proposing to meet with the Mitigation Bank Review Team (MBRT) to discuss the proposed site, general design techniques, and terms of an appropriate Mitigation Banking Instrument (MBI). Preliminary discussions have already occurred with the proposed chair of the MBRT and individual members of the MBRT as well. Since the Sponsor's

managing member has obtained approvals for five wetlands banks (one with several separate phases and one that has its first phase successfully entering its 9th growing season) having service areas that largely overlap the service area of the proposed Broad Run Wetlands and Stream Bank, extensive Pre-Application meetings have not occurred. Originally the proposed MBI was substantially the same as four previously approved MBI's in this same area, with the addition of new criteria regarding stream compensation. It is now being modified to reflect recent MBI template changes.

IV. Mitigation Banking Instrument (MBI)

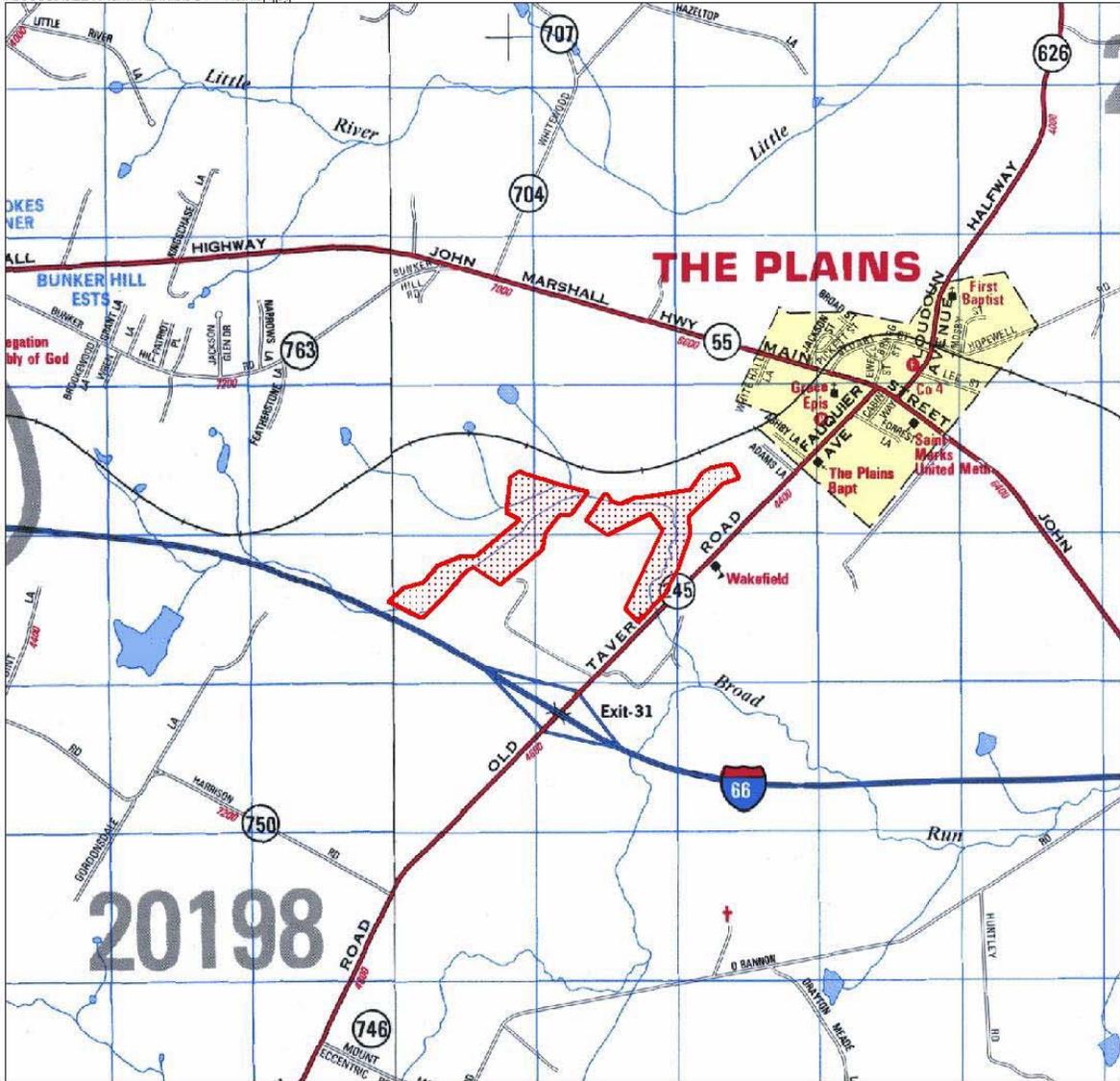
- A. As noted above, the draft MBI is being developed, utilizing the new format published by the Norfolk District of the U.S. Army Corps of Engineers.
- B. The content and structure of the draft Broad Run Wetlands and Stream Bank MBI are in accordance with both the “Federal Guidance for the Establishment, Use and Operation of Mitigation Banks” published in Volume 60, Number 228 of the Federal Register, November 28, 1995 (“Federal Banking Guidance”) and Section 62.1-44.15:5(B) of the Code of Virginia, which established guidelines for appropriate mitigation bank Service Areas.

V. Goals, Methods, Maintenance, Monitoring and Performance Criteria

- A. The goal of the Broad Run Wetlands and Stream Mitigation Bank is to convert existing croplands along Broad Run into a more ecologically valuable habitat area consisting of a mosaic of upland forests, forested and shrub/scrub wetlands, emergent wetlands and riparian buffers that improve water quality and provide more valuable wildlife habitats.
- B. This goal will be achieved physically by grading the subject site in a manner described in the proposed construction plans, planting riparian buffers and economically achieved by selling the rights to use these increased habitat and water quality values as compensation for unavoidable losses of nontidal wetlands and other Waters of the U.S. (WOUS) in the Service Area of this project to persons or entities obtaining permits under Section 404 of the Clean Water Act from the U.S. Army Corps of Engineers (COE) and Virginia Water Protection Permits (VWPP) from the Department of Environmental Quality (DEQ). Financial surety will be provided by (i) the use of escrow accounts that release funds from the sale of credits upon the satisfaction of various performance goals established in the MBI, (ii) the use of surety bonds, or (iii) a combination of surety bonds and cash encroachments. Specific criteria for the use of these credits will be established by the MBI.
- C. Monitoring and maintenance will be provided by Broad Run Wetlands, L.C. for a ten year period following completion of the construction and planting of the site. Monitoring reports shall judge conditions on the site relative to performance criteria established in the MBI.

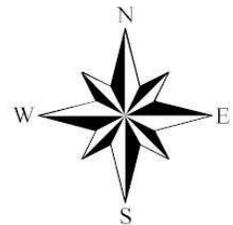
VI. Long Term Stewardship

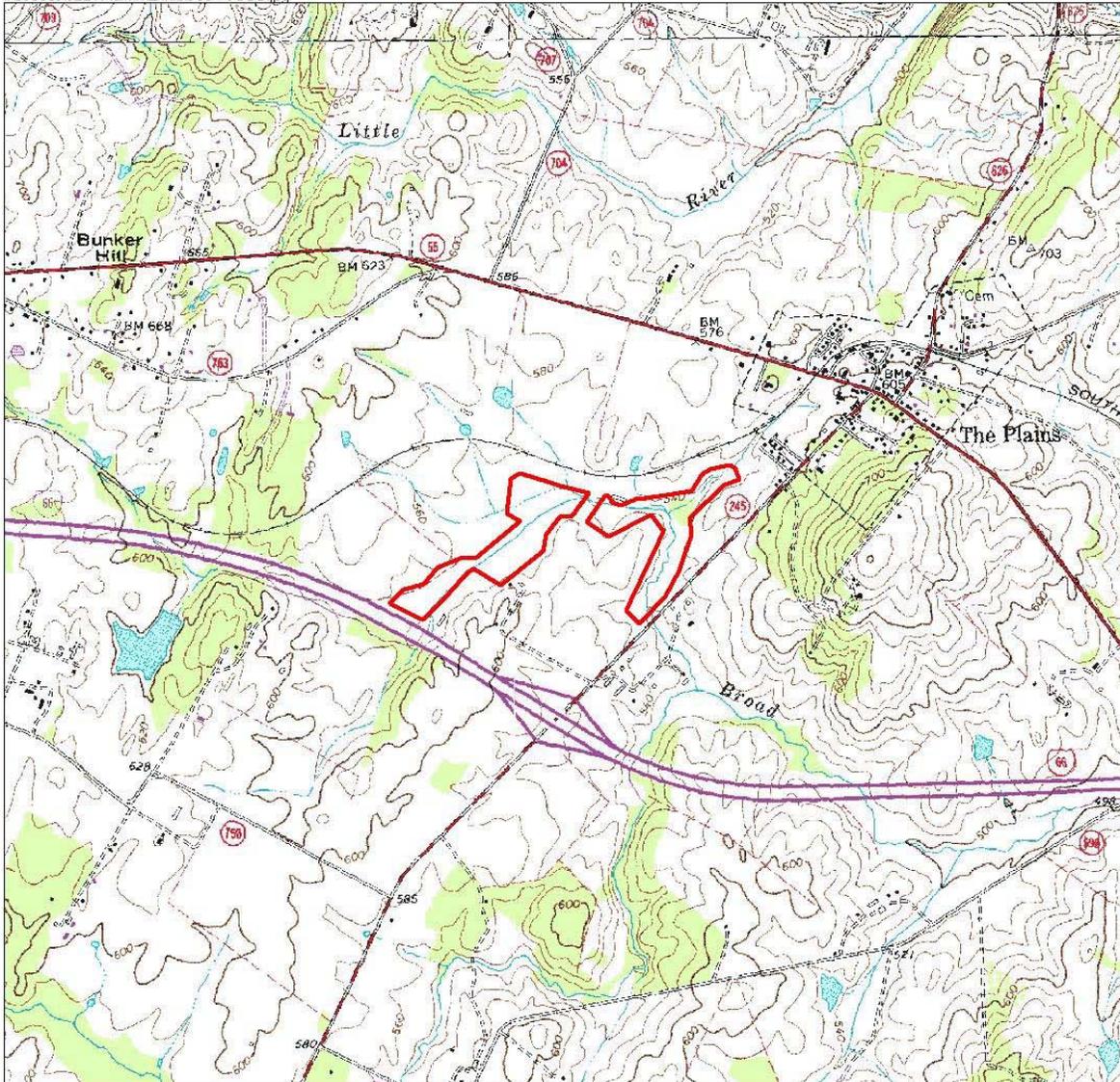
- A. After documentation of ten (10) successful growing seasons (i.e., meeting the performance criteria specified in the MBI), the easement owned by the Broad Run Wetlands and Stream Bank shall be donated to the existing underlying property owner.
- B. A Restrictive Covenant shall be recorded, prior to any sales of mitigation credits, in and among the Fauquier County land records to assure preservation of these lands in perpetuity. A copy of said covenant will be provided in the MBI.



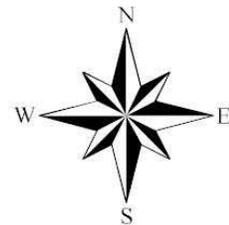
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Vicinity Map
Broad Run Wetlands and Stream Bank
WSSI #9221
Scale: 1" = 2000'





USGS Quad Map
Marshall, VA 1983
Broad Run Wetlands and Stream Bank
WSSI #9221
Scale: 1" = 2000'



Latitude: 38°51'23"
Longitude: 77°47'20"
Hydrologic Unit Code (HUC): 02070010
Stream Class: III
Name of Watershed: Broad Run

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Exhibit 3



Spring 1994 Color Infrared Imagery
Broad Run Wetlands and Stream Bank
WSSI #9221
Scale: 1" = 1000'

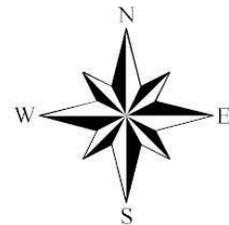


Photo Source: U.S. Geological Survey digital orthophoto quarter quad

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Exhibit 2