

Permit: USACE Permit No. 200610338

PROPOSED ADMINISTRATIVE PENALTY ORDER

Under the authority granted by 33 U.S.C. § 1319(g) and 33 CFR Part 326.6, I, Colonel John E. Pulliam, Jr., District Engineer, Wilmington District, propose to issue this order assessing a Class I Administrative Penalty for violation of the above-referenced permit.

Name/Address of Permittee:

Corolla Bay, LLC

Corolla, North Carolina 27927

Permitted Activity:

The discharge of earthen fill material within Department of the Army (DA) jurisdictional wetlands to facilitate the development of a residential subdivision at the Corolla Bay Development, located off N.C. Highway 12, adjacent to the Currituck Sound, in Corolla, Currituck County, North Carolina, consistent with the application and plans for USACE Permit No. 200610338.

Condition(s) or Limitation(s) of Permit Reportedly Violated:

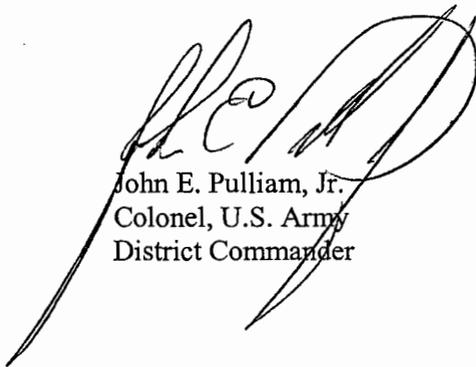
Corolla Bay, LLC, failed to comply with special condition (a) of the subject permit, which states that, "All work authorized by this permit must be performed in strict compliance with the submitted plans, which are a part of this permit."

Description of the Nature of the Violation(s):

Corolla Bay, LLC, began construction of the residential subdivision without complying with this permit condition. Corolla Bay, LLC, discharged fill material within approximately 0.42-acre of high quality DA jurisdictional wetlands (Estuarine Woody Wetlands) outside of the authorized fill area.

I propose to assess a Class I Administrative Penalty against the permittee in this case for \$ 11,000; however, this proposal is subject to revision in the interest of justice after all evidence and comments have been received and reviewed. The amount that may be assessed as a Class I Administrative Penalty may not exceed \$11,000 per individual violation or a maximum amount of \$27,500.

Issued this 30th day of January 2007.



John E. Pulliam, Jr.
Colonel, U.S. Army
District Commander