

**IN THE CIRCUIT COURT OF THE TWELFTH JUDICIAL CIRCUIT OF
THE STATE OF FLORIDA IN AND FOR MANATEE COUNTY
CIVIL DIVISION**

FORTRESS 2020 LANDCO, LLC, a Delaware limited liability company, as assignee of Regions Bank, as successor in interest by merger of AmSouth Bank,

Plaintiff,

vs.

Civil Action No. 2020-CA-004459-AX

HRK HOLDINGS, LLC, a Florida limited liability company, ARSENAL GROUP, LLC, a Delaware limited liability company, WILLIAM F. HARLEY III, FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION, ARDAMAN & ASSOCIATES, INC., a Florida corporation, INTERNATIONAL SALT COMPANY, LLC, a Delaware limited liability company, MC WEIGHING SYSTEMS, LLC, a Florida limited liability company, 9079-8042 QUEBEC, INC., a foreign corporation,

Defendants.

**NOTICE OF FILING RECEIVER'S
MONTHLY PROGRESS REPORT FOR NOVEMBER 2022**

HERBERT R. DONICA, as Receiver of the estate of HRK HOLDINGS, LLC, gives notice of filing of the Monthly Progress Report for November 2022 and states as follows:

On March 25, 2022, the conceptual closure plan (the “**Conceptual Plan**”) of the Piney Point Gypsum Stack System was submitted by the Receiver to the Florida Department of Environmental Protection (the “**Department**”). The Department issued its Order Approving Conceptual Closure Plan (the “**Order**”) to the Receiver on March 30, 2022.

Condition No. 11 of the Order requires “Receiver shall submit monthly progress reports to the Department including the status of planned closure activities, and a monthly updated water balance projection, including corresponding water removal rates for closure, and projected future

closure schedule dates.”

The Receiver’s engineering company, Ardaman & Associates, Inc., has prepared the Monthly Progress Report for November 2022 (the “**Report**”) to satisfy Condition No. 11 of the Order.

This filing includes the following documents:

Exhibit A - Monthly Progress Report for November 2022 prepared by Ardaman & Associates, Inc., and

Exhibit B - Receiver’s Supplement to Monthly Progress Report for November 2022.

Respectfully Submitted this 6th day of January 2023.

DONICA RECEIVERSHIP SERVICES, LLC.
238 East Davis Boulevard, Suite 209
Tampa, FL 33606
Telephone: (813) 878-9790
Facsimile: (813) 878-9746
e-mail: herb@donicalaw.com

By: /s/ Herbert R. Donica, Receiver
Herbert R. Donica

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on January 6, 2023, the undersigned has electronically filed the foregoing with the Clerk of the Court using the Florida Courts E-Portal which will provide a copy via email to counsel and parties of record.

/s/ Herbert R. Donica
Herbert R. Donica

EXHIBIT A

Monthly Progress Report for November 2022



Ardaman & Associates, Inc.

Geotechnical, Environmental and
Materials Consultants

December 21, 2022
File Number 21-13-0031D1

Donica Receivership Services, LLC
238 East Davis Island Blvd., Suite 209
Tampa, FL 33606

Attention: Mr. Herbert R. Donica

Subject: Monthly Progress Report for the Work Performed During the Month of November 2022,
Related to the Approved Conceptual Closure Plan of the Piney Point Gypsum Stack
System, Manatee County, Florida.

Dear Mr. Donica:

The conceptual closure plan (Conceptual Plan) of the Piney Point Gypsum Stack System was submitted by Mr. Donica of Donica Receivership Services, LLC (Receiver, DRS) to the Florida Department of Environmental Protection (Department) on March 25, 2022. The Department issued the Order Approving Conceptual Closure Plan (Order) to the Receiver on March 30, 2022.

Condition No. 11 of the Order requires "*Receiver shall submit monthly progress reports to the Department including the status of planned closure activities, and a monthly updated water balance projection, including corresponding water removal rates for closure, and projected future closure schedule dates.*"

Ardaman & Associates, Inc. (AAI), has prepared this monthly progress report to satisfy Condition No. 11 of the Order.

The following captures activities relating to closure of the OGS-S pond during the month of November 2022, as required by Condition No. 11 of the Order:

STATUS OF PLANNED CLOSURE ACTIVITIES

During the month of November 2022, the following activities were performed by Forgen (see attached photos of the construction activities):

- Continued discussing the repair plan for the impacted seams of high-strength woven geotextile.
- Backfilled the anchor trench for the high-strength fabric installation.

- Started placing the layer of sand tailings on top of the woven geotextile that covers the approximately 14-acre area containing soft dredged marine sediments.
- Completed liner soil cushion layer installation over the coarse dredged sediments area.
- Continued the surface water control activities in OGS-S to allow the construction to be conducted in a dry environment.
- Continued mobilization of additional equipment, labor, and materials.
- Continued maintaining and managing the sand tailings and the soil stockpiles.
- Completed the stabilization of the soft dredge sediments at the sump location by mixing with Portland cement.
- Completed the excavation of the outlet manhole structure at the sump location.
- Received 503.91-tons of #7 gravel and 180.52-tons of #57 gravel.
- On November 30, 2022, Forgen submitted the updated project schedule with substantial completion date on April 13, 2023.

During the month of November 2022, DRS continued accepting materials for the project as follows:

- Sand Tailings: As of November 27, 2022, the Receivership has stockpiled 142,470 cubic yards of sand tailings on site.
- Soil/Overburden: As of November 27, 2022, the Receivership has stockpiled 87,429 cubic yards of soil/overburden fill on site.
- High-Strength Woven Geotextile:
 - DRS received 210 rolls of high-strength fabric, which Forgen unloaded and stored at the staging area. Forgen used 206 rolls, with the remainder still stored in the staging area.
- 60-mil Textured HDPE Liner:
 - DRS received 99 rolls of HDPE liner to date (88% of total approved rolls). They were all unloaded by Forgen and are being stored in the staging area.
- Biplanar Double-Sided Geocomposite: Completed production.
 - DRS approved 94 rolls of double-sided geocomposite rolls for shipment, but only 92 rolls have been received on site to date (98% of the total rolls). Forgen unloaded the geocomposite rolls and they are being stored in the staging area.
- Geotextile (non-woven, 12-oz/yd²):
 - DRS received 23 rolls of non-woven geotextile, and Forgen unloaded all of them (100% of the total). They are being stored in the staging area.
- HDPE Pipes (6-inch solid and slotted, 18-inch, 24-inch, and 36-inch):
 - DRS received all pipes, which are stored in the staging area.
 - Forgen received 18" spool (flanged tees), 18" liner penetration, 6" liner penetration, and 36" HDPE manhole structure.

Looking ahead to the month of December 2022, the following activities will be performed:

- By Forgen:
 - Continue surface water control.
 - Continue the stockpiling operation for sand tailings and liner soil cover material.
 - Repair the compromised seams of the deployed high-strength fabric.
 - Backfill the anchor trench for the installed high-strength woven fabric.
 - Continue placing sand tailings on top of the woven fabric that covers the approximately 14-acre area containing soft dredged marine sediments.
 - Start installation of the collection drain system within the sand tailings layer overlying the high-strength woven geotextile.

- By the Receiver:
 - Continue working with AAI and the fill suppliers to ensure that the daily delivered fill quantity meets or exceeds Forgen's originally anticipated usage rate. DRS and AAI will continue working with the fill material supplier to address the quality of the material procured to the site.
 - Receive other materials (i.e., HDPE liner, geocomposite , etc.).
 - Continue performing CQA oversight and testing by the Receiver's engineer (AAI).

SAFETY

- At the beginning of each workday, a safety meeting is held by Forgen. The daily safety meetings are attended by Forgen's personnel working on-site, where various safety topics are discussed in addition to site-specific safety considerations.
- Prepared the site for Hurricane Nicole and either secured in place any material and equipment that could be blown away by strong winds or stored them in a safer location.
- DRS is continuously working with Forgen and RIPA to ensure that all truck drivers abide by DRS's safety policies.

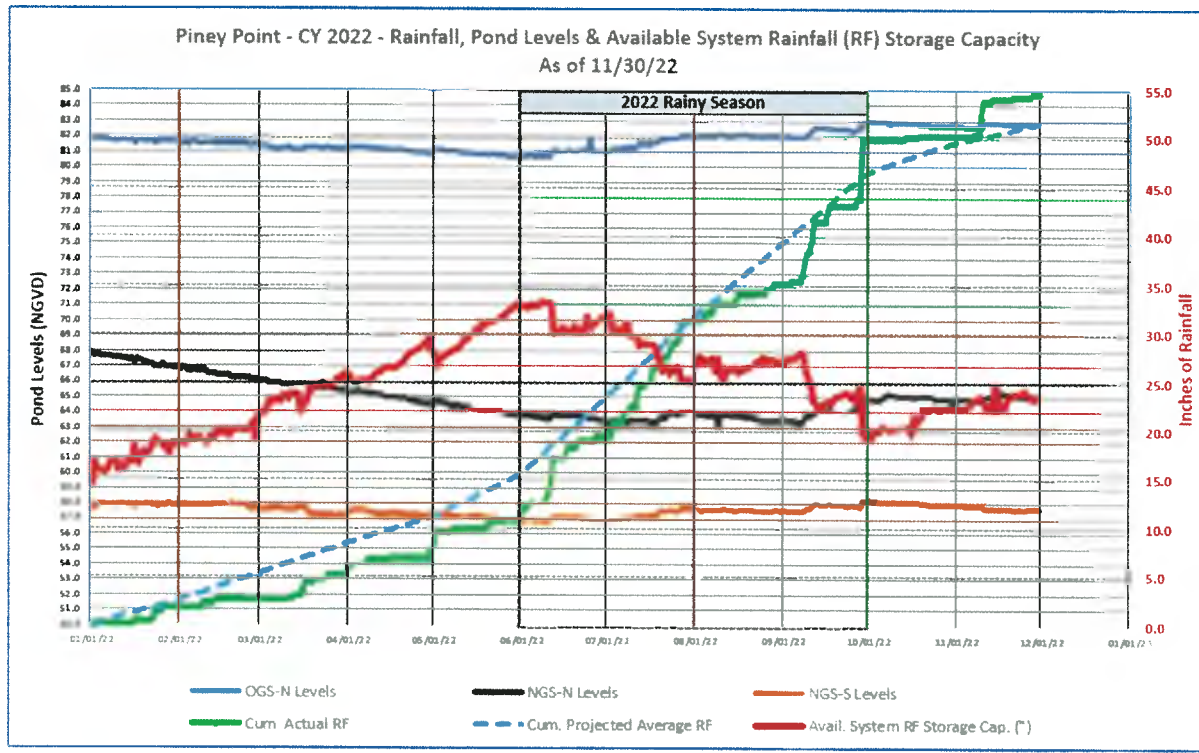
CONSTRUCTION QUALITY ASSURANCE (CQA)

- AAI monitored the installation of the high-strength fabric and provided comments and observations to Forgen. Sewn seam samples were collected and sent to AAI's lab for CQA testing.
- AAI also monitored and performed CQA testing for the placement of the soil fill on the coarse sediment area.
- TT-AAI monitored the excavation of the outlet structure.

WATER BALANCE AND MANAGEMENT

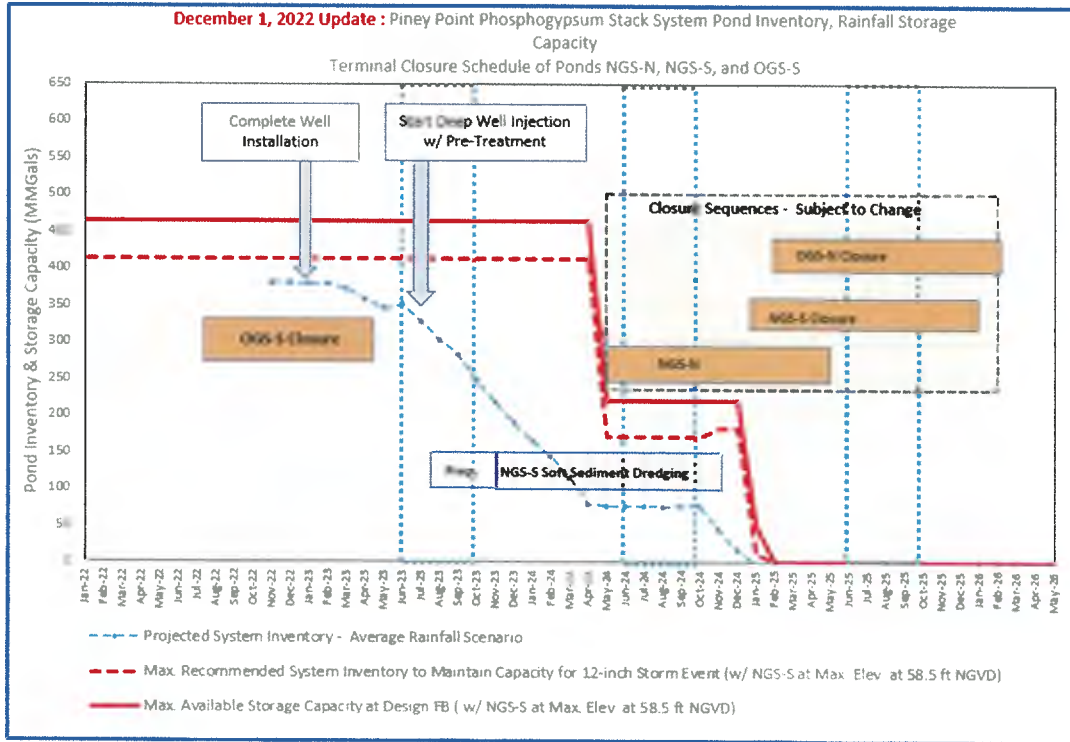
Rainfall and Pond Levels:

- As of November 30, 2022, the facility has received 54.6 inches of rainfall, which is 3.1 inches above the average rainfall of 51.5 inches for the same period.
- The chart below shows year-to-date pond level readings, rainfall, and available system storage capacity.



Water Balance Projection and Projected Future Closure Dates:

- See below an updated version of “Figure 10 - Water Balance Projection and Anticipated Closure Timeline of the approved Conceptual Plan”.
- The projected system inventory reflects measured pond level readings as of November 30, 2022.
- Please note that the seepage rate has been adjusted to 130 GPM due to recent actual data for Structure #1.
- Future closure dates reflect the new expected startup date (July 2023) of the pre-treatment system of the Deep Well Injection Project.



We believe the above information meets the requirements of Condition No. 11 of the Order. Please contact us if you have any questions or need any additional information.

Very truly yours,

Reinaldo Rolo, Ph.D.
 Project Director



Phong Vo
 Senior Consultant

Cc: Mohamad Al-hawaree, P.E. (AAE)
 Jeff Barath (DRS)

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CONSTRUCTION PHOTOS

November 2022



Photo 1 – Construction Equipment in Laydown Area (1)



Photo 2 – Construction Equipment in Laydown Area (2)



Photo 3 – Haul Trucks Delivering Soil Fill and Sand Tailings



Photo 4 – Stockpile of #7 Gravel and #57 Gravel



Photo 5 – Staging Area (HDPE Liner, Non-Woven Fabric, and Geocomposite)



Photo 6 – Soil Fill Material Stockpile



Photo 7 – Sand Tailings Material Stockpile



Photo 8 – Volumetric Scanner for Soil/Sand Tailings Fill Material



Photo 9 – Placement of Sand Tailings on Top of High Strength Fabric



Photo 10 - Grading the Western Dike and Excavating the West Anchor Trench



Photo 11 - Sewing Three Additional Panels of High Strength Fabric for Seam Repair Plan



Photo 12 - Received 18" spool (flanged tees), 18" liner penetration, 6" liner penetration, and 36" HDPE manhole structure



Photo 13 - Received Loads of Portland cement to Perform Bucket Mixing



Photo 14 - Bucket Mixing the Sump Area with Portland Cement



Photo 15 – Excavation of the Outlet Structure



Photo 16 - Deployment of the High-Strength Fabric



Photo 17 – Placement of High-Strength Fabric Inside the Excavated Sump Area



Photo 18 – Soft Sediment Area after Placement of High-Strength Fabric (1)



Photo 19 – Soft Sediment Area after Placement of High-Strength Fabric (2)

EXHIBIT B

Supplement to Monthly Progress Report for November 2022

SUPPLEMENT TO MONTHLY PROGRESS REPORT FOR NOVEMBER 2022

Overview of Significant Activities for November 2022

During the month of November 2022, the Receiver made progress on several fronts toward the eventual closure of the Piney Point facility in addition to the management and resolution of on-going issues related to the continued operation of the facility pending its eventual closure.

Significant Activities

- Review October Progress Report provided by engineers, review and revise Receiver's Supplement and file with the Court.
- Reviewed and approved contractor's change order.
- Reviewed contractor's progress payment worksheet.
- Worked with environmental engineers to revise NPDES Application.
- Continued discussions with mortgage holder's legal representatives to establish boundary lines and access easement.

Additionally, during November 2022, the Receiver and his professionals engaged in the following activities:

- Finalized Service Agreement and filed Motion to Approve Service Agreement after approval by the Manatee County Board of Commissioners with package of related exhibits. (Approved at a hearing on November 28, 2022).
- Conferred with IT vendor to upgrade network and related.
- Prepared monthly financial reports.
- Corresponded with DEP and provided additional information for NPDES permit application.
- Conducted regular meetings with DEP, ECT, site manager and Ardaman re discuss NPDES Permit.
- Attended Weekly Project Meeting with engineers, contractor, and site manager.
- Co-ordinated efforts to secure the premises from possible effects of Hurricane Nicole.

- Conducted post-hurricane site visit and meeting with site manager. Surveyed effects of Hurricane Nicole and took pictures.
- Coordinated delivery schedules with materials suppliers.
- Met with engineers to review weather delay terms in contractor's contract.
- Corresponded with AXOS Bank and County attorney regarding form of Letter of Credit to secure pavement bond.
- Performed all necessary accounting tasks including bank account reconciliations, payroll management, payables management, and tracked and recorded payment of expenses.