

**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 JANUARY 2023**

HERBERT R. DONICA, as Receiver of the estate of HRK HOLDINGS, LLC, gives notice of filing of the Monthly Progress Report for January 2023 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 January 2023 (the “**Report**”) to satisfy Condition No. 11 of the Order.

This filing includes the following documents:

Exhibit A - Monthly Progress Report for January 2023 prepared by Ardaman & Associates, Inc., and

Exhibit B - Receiver’s Supplement to Monthly Progress Report for January 2023.

Respectfully Submitted this 27th day of February 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 February 27, 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 January 2023



Ardaman & Associates, Inc.

Geotechnical, Environmental and
Materials Consultants

February 23, 2023
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 January 2023,
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, 2023. The Department issued the Order Approving Conceptual Closure Plan (Order) to the Receiver on March 30, 2023.

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 January 2023, as required by Condition No. 11 of the Order:

STATUS OF PLANNED CLOSURE ACTIVITIES

During the month of January 2023, the following activities were performed by Forgen (see attached photos of the construction activities):

- Continued placing the layer of sand tailings (57,046 yards) on top of the woven geotextile over the approximately 14-acre area containing soft dredged marine sediments.
- Received a total of 19,800 yards and completed stockpiling sand tailings.
- Dressed and compacted soil stockpile.

During the month of January 2023, DRS continued accepting materials for the project as follows:

- Sand Tailings: As of January 31, 2023, the Receivership has stockpiled 187,002 cubic yards of sand tailings on site.
- Soil/Overburden: As of January 31, 2023, the Receivership has stockpiled 138,875 cubic yards of soil/overburden fill on site.
- High-Strength Woven Geotextile:
 - DRS received 16 rolls of high-strength fabric, which Forgen unloaded and stored at the staging area. Forgen used 206 rolls, with the remainder stored in the staging area.

Looking ahead to the month of February 2023, the following activities will be performed:

- By Forgen:
 - Continue maintaining the stockpiles of sand tailings and soil fill.
 - Repair the damaged seams of the deployed high-strength fabric.
 - Commence gas vents, and liner installation over the coarse dredged marine sediments.
 - Continue placing sand tailings on top of the woven geotextile over the approximately 14-acre area containing soft dredged marine sediments.
 - Commence Installation of 6" collection drain system.
- By the Receiver:
 - 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 and Ardaman's personnel working on-site, where various safety topics are discussed in addition to site-specific safety considerations.

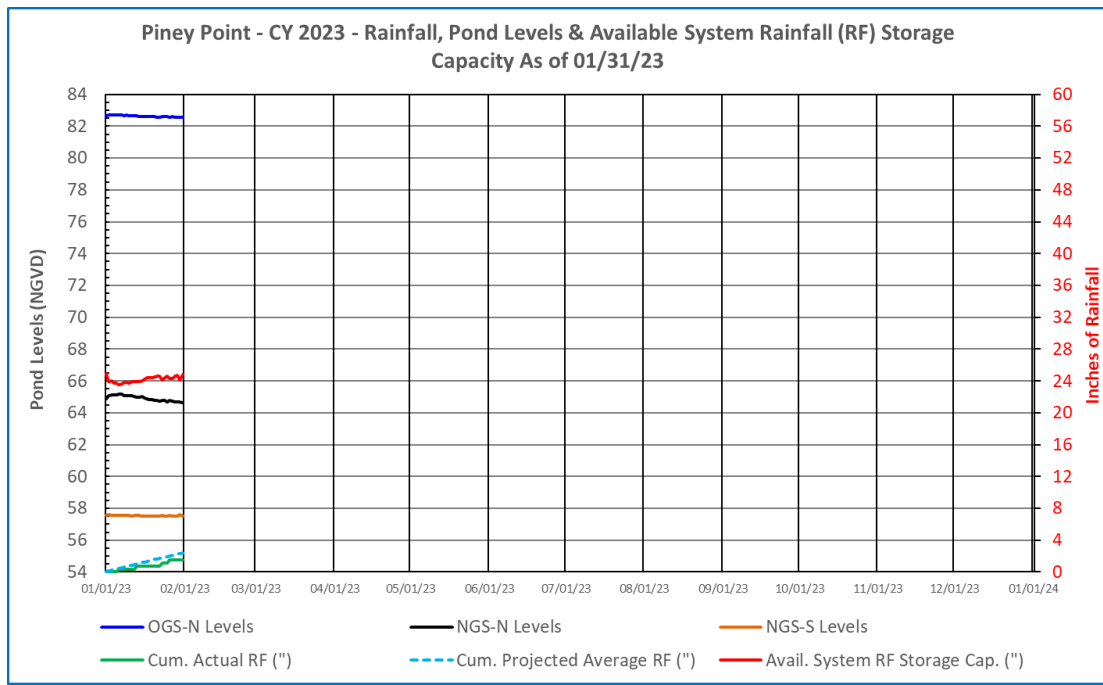
CONSTRUCTION QUALITY ASSURANCE (CQA)

- AAI monitored the installation of the high-strength fabric and the fabric seams repair and provided comments and observations to Forgen and the Receivership.
- AAI also monitored and performed CQA testing during the placement of the soil fill on the coarse sediment area.

WATER BALANCE AND MANAGEMENT

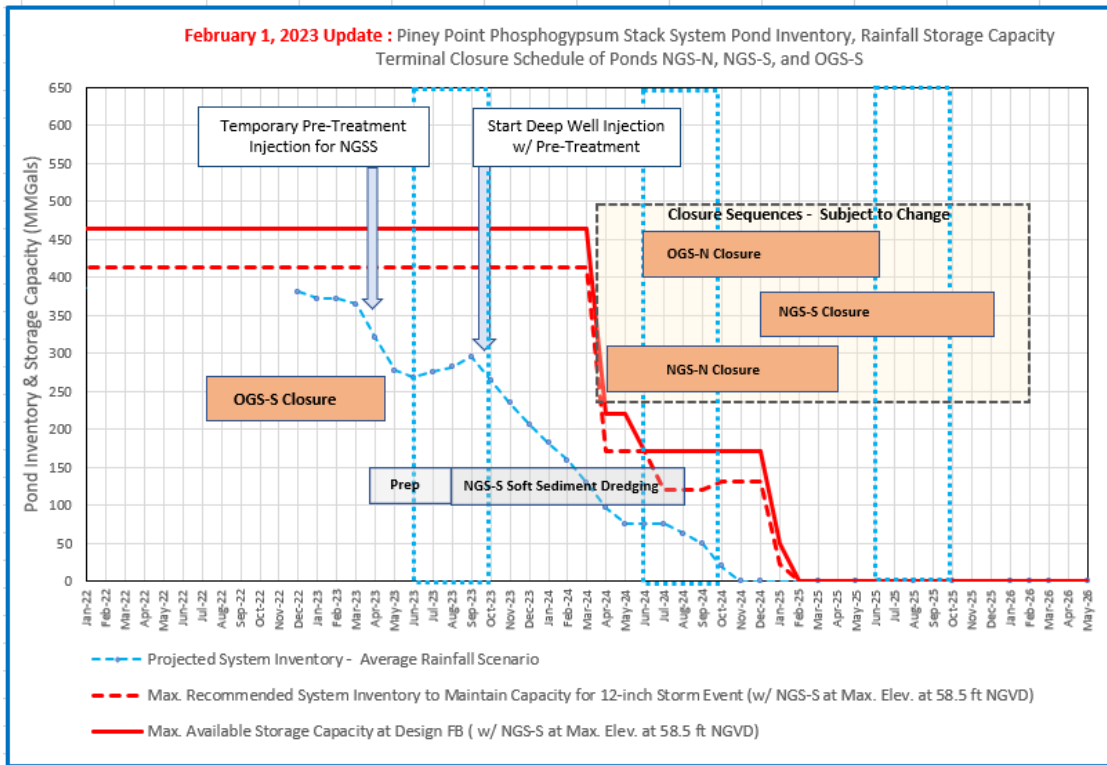
Rainfall and Pond Levels:

- As of January 31, 2023, the facility has received 1.49 inches of rainfall for 2023, which is 0.9 inches below the average rainfall of 2.4 inches for the same period.
- The chart below shows year-to-date pond level readings, rainfall, and available system storage capacity.




Water Balance Projection & 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 January 31, 2023.
- 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 (April 1, 2023) of the temporary 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
 LICENSE
 No. 69985
 FEB 02/23/23
 REINALDO ROLO, Ph.D., STATE OF
 Project Director
 PROFESSIONAL ENGINEER
 FLORIDA


 Ran Tamir
 Construction Manager


 2/23/23
 Phong Vo
 Senior Consultant

This item has been digitally signed and sealed by Reinaldo Rolo, Ph.D. on the date adjacent to the seal
 Printed copies of this document are not considered signed and sealed and the signature must be verified on any electronic copies.

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

CONSTRUCTION PHOTOS

January 2023

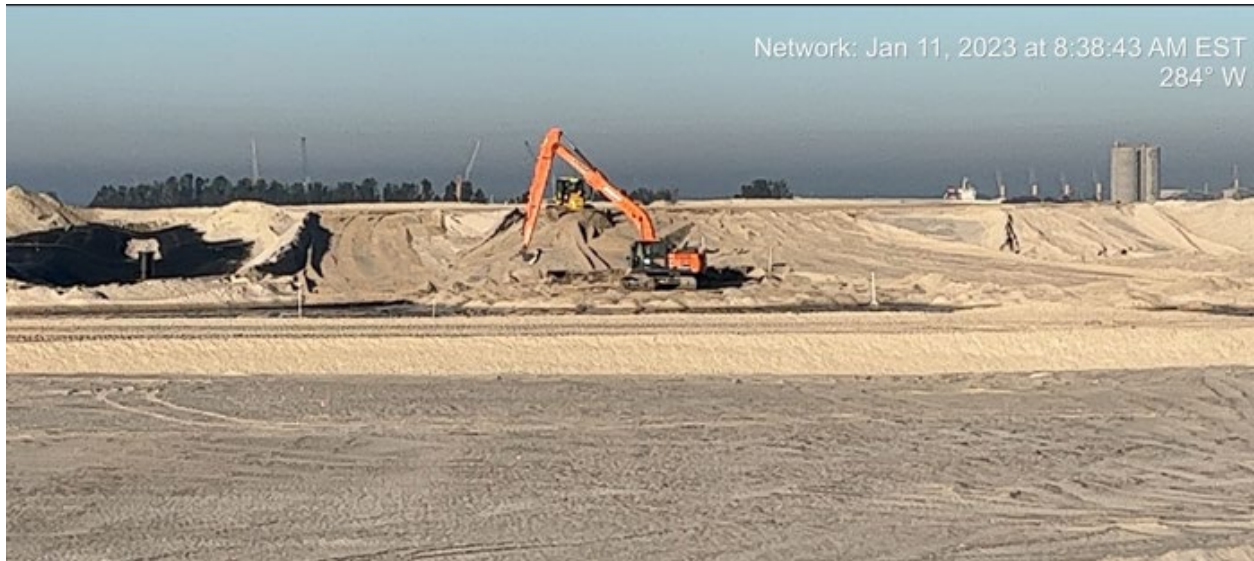


Photo #1 – Sand tailings placement using a long reach positioned on mats.



Photo #2 – Sand tailing placement.



Photo #3 – Sand tailings placement on the south dike using a dozer.

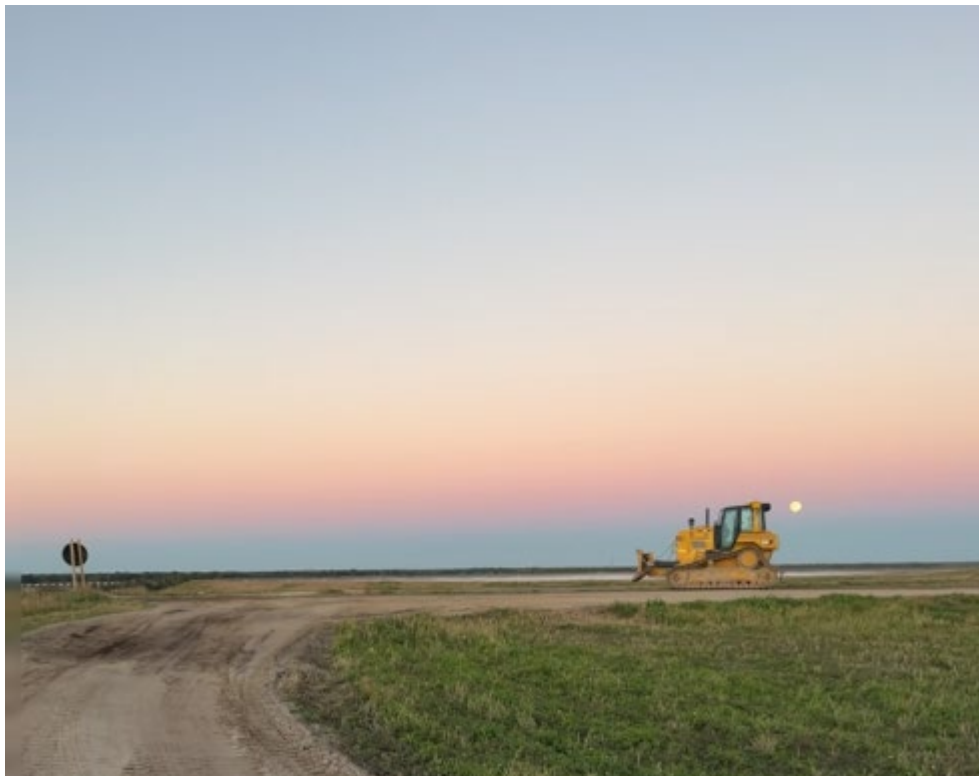


Photo #4 – Dozer grading roads.



Photo #5 – Dozer pushing sand tailings to long reach.



Photo #6 – Dozers placing sand tailings hauled by truck.

EXHIBIT B

Monthly Progress Report for January 2023

SUPPLEMENT TO MONTHLY PROGRESS REPORT FOR JANUARY 2023

Overview of Significant Activities for January 2023

During the month of January 2023, 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

- Reviewed December Progress Report provided by engineers, reviewed, and revised Receiver's Supplement and filed with the Court.
- Reviewed and approved contractor's change order.
- Reviewed contractor's progress payment worksheet.
- Continued discussions with mortgage holder's legal representatives to establish boundary lines and access easement.
- Researched and identified conservation groups, assembled contact list.
- Drafted letters to conservation groups.
- Teams meeting with Ardaman, site manager and UESI re possible dredging proposals.
- Reviewed and executed second amendment to Ardaman contract.
- Reviewed stockpiling tickets, communication with site manager and Forgen to clarify status of operations; execute tickets.
- Participated in conference calls and on-site meetings with site manager, FDEP, and Phillip Locke and Laurel Smith with McKim & Creed re review of potential early start to disposal of wastewater.
- Attended meetings regarding long term planning for post closure.
- Prepared monthly financial reports.
- Initiated preparation of year-end accounting.
- Initiated preparation of 4th Quarter significant events and annual status report.
- Prepared 6th Reimbursement Request for construction funding.
- Prepared funding request for LTC fund.
- Attended Weekly Project Meeting with engineers, contractor, and site manager.
- Reviewed PFWS contract regarding ownership of electrical supply equipment; emails regarding potential dispute concerning ownership of electrical supply equipment.
- Multiple telephone conferences with FDEP, Ardaman and site manager to discuss scheduling issues.

- Teams meeting with Ardaman and Mosaic re Ft. Green Sand Tailings Borrow Pit Status Update.
- Reviewed and approved cost estimate for annual inspection and training.
- Responded to media questions about future of site.
- Reviewed payments to vendors, segregated payments requiring Form 1099s; reviewed and revised letter to HRK re Form 1099 requirements.
- Performed all necessary accounting tasks including bank account reconciliations, payroll management, payables management, and tracked and recorded payment of expenses.
- Attended weekly project meetings with contractors and engineers.
- Prepared monthly financial reports.