

**THE QUARRY
COMMUNITY DEVELOPMENT DISTRICT**

**REGULAR MEETING
JANUARY 18, 2021**

Quarry Community Development District
Inframark, Infrastructure Management Services
210 North University Drive Suite 702, Coral Springs, Florida 33071
Telephone: 954-603-0033; Fax: 954-345-1292

January 11, 2021

Board of Supervisors
Quarry Community Development District

Dear Board Members:

A regular meeting of the Board of Supervisors of the Quarry Community Development District will be held on Monday January 18, 2021 at 1:00 PM. The meeting will be held at the Quarry Beach Club, 8975 Kayak Drive, Naples, FL. The following is the agenda for the meeting:

- 1. Call to Order**
- 2. Pledge of Allegiance**
- 3. Approval of Agenda**
- 4. Public Comments on Agenda Items**
- 5. Discussion with CES to Serve the District**
- 6. Engineer's Report**
 - A. Engineer's Written Report
- 7. District Manager's Report**
 - A. Approval of the December 14, 2020 Workshop Minutes
 - B. Approval of the December 14, 2020 Meeting Minutes
 - C. Acceptance of the Financial Report, and Approval of the Check Register and Invoices of December
 - D. Update on Action Items from Meeting Notes
 - E. Status of Resident Complaints/Inquiry Report
 - F. Variance Easement Report Update
 - G. Update on Board Seat Vacancy
- 8. Attorney's Report**
 - A. Attorney's Written Report
 - B. Discussion of E-Verify, Memorandum of Understanding
- 9. Business Items**
- 10. Old Business Items**
 - A. FEMA Update
 - B. Assessment Methodology – Golf Course Report
 - C. Potential Field Workshop Date
- 11. New Business Items**
 - A. Consideration of Resolution 2021-04, Ratifying 2020 Refinancing Bonds
- 12. Supervisor Requests**

Quarry CDD
January 11, 2021
Page 2

A. Reports

- i. *Chairman's Report:* Mr. Omland
 - o *Weed Management Communications*
- ii. *Lake & Preserve:* Mr. Flister
- iii. *Pond Survey:* Mr. Cantwell
- iv. *Liaison:*
 - o *QCA*
 - o *HBCDD – Mr. Flister*
 - o *HBUA- Mr. Cantwell*

13. Audience Comments

14. Adjournment

The next scheduled meeting: Monday February 15, 2021

All other supporting documents for agenda items are enclosed or will be distributed separately. The balance of the agenda is routine in nature and staff will present their reports at the meeting. I look forward to seeing you at the meeting and in the meantime, if you have any questions, please contact me at (904) 626-0593.

Sincerely,

Bob Koncar

Bob Koncar

District Manager

cc: Jere Earlywine Jeffrey Satfield Wes Haber Albert Lopez

Sixth Order of Business

6A.

The Quarry CDD – Engineers Report

January 2021

Variances approvals

- 1 variance application received on January 6th 2021 – currently under review

Home Owners Issues

- None reported

Pending contracts/Proposals

- Survey markers to delineate lake maintenance limits between TQCDD and HBCDD.
Pending HBCDD approval.

Current Projects

- N/A

Seventh Order of Business

7A.

**MINUTES OF MEETING
THE QUARRY
COMMUNITY DEVELOPMENT DISTRICT**

The workshop of the Board of Supervisors of the Quarry Community Development District was held Monday December 14, 2020 at 12:00 p.m. at the Quarry Beach Club, 8975 Kayak Drive, Naples, FL.

Present and constituting a quorum were:

Stanley T. Omland	Chairman
Lloyd Schliep	Vice-Chairman
Timothy B. Cantwell	Assistant Secretary
William Flister	Assistant Secretary

Also present were:

Bob Koncar	District Manager
Justin Faircloth	District Manager
Wes Haber	District Counsel
Albert Lopez	District Engineer
Golf Club Representatives	

The following is a summary of the discussions taken at the December 14, 2020 The Quarry Community Development District's Board of Supervisors Workshop Meeting.

- Mr. Omland called the workshop meeting to order and Mr. Koncar called the roll.
- The Pledge of Allegiance was recited.
- Mr. Omland stated this workshop is to discuss the assessment methodology which they have recently undertaken and provided a history of why and how they are where they are today with this. Back in 2004, US Homes, Centex and Pulte sought permits from South Florida Water Management District to build a project called Heritage Bay. Heritage Bay was 2400 acres. In 2005, they split off the Quarry from the original approval. Pulte, as was required, ultimately created the QCA and CDD and maintained the majority of those Boards until such times the law required them to turn it over to the community. Pulte also established the HOA dues and the CDD assessments. A transition occurred, the CDD took over its role with its own members and QCA likewise.
- In 2015, the QCA and the Golf Club entered a cost sharing agreement, which was calculated based upon the perimeter of lakes and the percentage of frontage the Golf Club and the QCA or CDD had ownership of. The conclusion of the initial agreement was 25% of the lake frontage was Golf

Course related, 75% was QCA and CDD related, but the agreement in the original agreement was the Golf Club would pick up 30% of the assessment maintenance of the lakes, but the maintenance of the lakes was not defined.

- The agreement acknowledged there was a special assessment process if there was such a need. In that event, the Golf Club would participate in that same 30%. Mr. George Cingle in Q3 and Q4 of last year, agreed in discussion with the Golf Club that the CDD would undertake a new assessment methodology. Mr. Cingle secured a proposal from Mr. Russ Weyer, and he is with a company called Real Estate Econometrics. He issued a proposal back then and provided an updated proposal this year to re-evaluate the assessments of the properties within the Quarry based upon a defensible, arithmetic, scientific method which we will hopefully all understand, discuss and agree to today.
- Q2 of this year the CDD and the Golf Club went into a Memorandum of Understanding (MOU) which did nothing more than extend the prior agreement between the Golf Club and the QCA as a stop gap measure to continue the oversight and maintenance of the lakes for an agreed upon assessment of \$17,793.
- Mr. Weyer provided a draft proposal dated November 15, 2020 which was provided to the Board. Mr. Omland reviewed the proposal with the Board and further discussion ensued.
- Mr. Omland invited individuals from the Golf Club as he wanted to have an open dialogue about the assessment and how they come to terms with the new \$64,000 assessment and the \$46,000 increase and where the line is drawn between the SFWMD permit obligation to maintain and where the Golf Clubs' obligation falls within the aesthetic maintenance.
- Mr. Omland opened the floor for discussion with each Board member having an opportunity to provide their input on this discussion. Mr. Schliep and Mr. Cantwell provided their input on this discussion.
- Mr. Lopez was asked if there were any highlights which he had with the methodology and the recommendations of this report. Mr. Lopez indicated he read the report and has no objections based on what they have done, and the numbers used. An extensive discussion ensued on this matter.
- Mr. Haber provided his input on the golf course discussion.
- The Golf Club provided a report which they shared with the Board highlighting shoreline areas needing repair and discussed the assessment methodology. Discussion was had on the following:
 - Historical lack of stormwater management maintenance

- 72 ○ Erosion issues
- 73 ○ Safety issues
- 74 ○ District compliance issues
- 75 ○ Severe bank slopes
- 76 ○ Severe erosion
- 77 ○ Putting a long-range plan in place
- 78 ○ Coming up with an agreement with the Golf Club with a set number on annual
- 79 basis for low level maintenance
- 80 ○ Project lists of required repairs
- 81 ○ Future funding
- 82 • Further discussion ensued on these items. The Golf Club went on to state they wished to do their
- 83 own engineering study on the lake banks but do not know if they will do it collaboratively or on
- 84 their own study and compare notes.
- 85 • Mr. Omland asked the Golf Club if they would provide their documents so the District can maintain
- 86 it in their files.
- 87 • Mr. Omland provided his conclusion on his drive-through with the Golf Club last week with the
- 88 Board. Further discussion continued between the Board and the Golf Club.
- 89 • Mr. Omland would like a discussion of action items which they will do each month. He would like
- 90 to establish an accountability of getting this done by May and further discussion ensued.
- 91 • Discussion was had on:
 - 92 ○ Wes Haber looking at the legality of public meeting, or a fact-finding visit
 - 93 ○ Adding to the CDD agenda as a standing item a Golf Club/CDD report
 - 94 ○ Continued dialogue

95

96 There being no further discussion, the workshop meeting adjourned.

97

98

99

100

101

102

103 _____
Secretary/Assistant Secretary

Chairperson/Vice-Chairperson

7B

**MINUTES OF MEETING
THE QUARRY
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Quarry Community Development District was held Monday December 14, 2020 at 1:00 p.m. at the Quarry Beach Club, 8975 Kayak Drive, Naples, FL.

Present and constituting a quorum were:

Stanley T. Omland	Chairman
Lloyd Schliep	Vice-Chairman
Timothy B. Cantwell	Assistant Secretary
William Flister	Assistant Secretary

Also present were:

Bob Koncar	District Manager
Justin Faircloth	District Manager
Wes Haber <i>(via phone)</i>	District Counsel
Albert Lopez	District Engineer

The following is a summary of the discussions and actions taken at the December 14, 2020 The Quarry Community Development District's Board of Supervisors Meeting.

FIRST ORDER OF BUSINESS

Call to Order

- Mr. Omland called the meeting to order and Mr. Koncar called the roll, and a quorum was established.

SECOND ORDER OF BUSINESS

Pledge Allegiance

- The Pledge of Allegiance was recited.

THIRD ORDER OF BUSINESS

Administrative Matters

A. Oath of Office

- The Oath was previously administered.

B. Consideration of Resolution 2021-01, Designation of Officers

- Mr. Koncar indicated the purpose of Resolution 2021-01. He opened up the floor for nominations for Chairperson, Vice-Chair and the others will be appointed as Assistant Secretaries.

On MOTION by Mr. Schliep seconded by Mr. Cantwell with all in favor to nominate Mr. Omland as the Chair of the Quarry CDD was approved. 4-0

On MOTION by Mr. Cantwell seconded by Mr. Flister with all in favor to nominate Mr. Schliep as the Vice-Chair of the Quarry CDD was approved. 4-0

On MOTION by Mr. Cantwell seconded by Mr. Schliep with all in favor resolution 2021-01 designation of officers with the slate of officers remaining the same was adopted. 4-0

FOURTH ORDER OF BUSINESS**Approval of Agenda**

- Mr. Omland would like to move the discussion of the bonds which is item 9A and have it before the Engineer's report.

On MOTION by Mr. Schliep seconded by Mr. Cantwell with all in favor to move item 9A prior to the Engineer's report on the agenda was approved. 4-0

FIFTH ORDER OF BUSINESS**Public Comments on Agenda Items**

- Comments were received.

On MOTION by Mr. Schliep seconded by Mr. Cantwell with all in favor to amend the agenda with the additional discussion concerning an agreement with the QCA and the Golf Course concerning certain maintenance easements and potential land swaps was approved. 4-0

SIXTH ORDER OF BUSINESS**Engineer's Report****A. Engineer's Written Report****SEVENTH ORDER OF BUSINESS****District Manager's Report****A. Approval of the November 16, 2020 Minutes**

- Mr. Omland asked if there were any deletions, corrections, or changes to the minutes. Changes were made and will be part of the final record.

On MOTION by Mr. Cantwell seconded by Mr. Schliep with all in favor the minutes of meeting of November 16, 2020 were approved as amended. 4-0

NINTH ORDER OF BUSINESS**Business Items**

- Mr. Omland shared with all that the CDD has undertaken in these last months a study and presentation by the financial markets on taking their three outstanding bonds, consolidating them

and refinancing them and are in the final stages of a refinance of all our outstanding debt from three different bonds to a single bond in the amount of \$18 million +/- at 1.94% for 15 years which will be co-terminus with the longest and largest outstanding bond. This will result in annual savings to the homeowners, across the board, at an average of \$303 per door, some more some less.

A. Discussion of Refinancing of the CDD Bonds

- Mr. Haber introduced Resolution 2021-02, prepared by Bryant, Miller and Olive who is serving as Bond Counsel and Resolution 2021-3 is an assessment resolution which acknowledges the reduction in the assessments for each assessment securing each bond issuance to reflect the savings that the District will realize as a result of this transaction.
- It was noted on the phone should be MBS Capital Markets – Brett Sealy and Sara Zare, and Bryant, Miller and Olive – Misty Taylor.

i. Consideration of Resolution 2021-02, Delegated Award Resolution

- Ms. Taylor noted she is an attorney with Bryant, Miller and Olive and representing BBVA USA in connection with the purchase of the 2020 Bond. She further outlined Resolution 2021-02 the Delegated Award Resolution noting because they are refunding all of the outstanding debt, they have prepared a Master and Supplemental Trust Indenture, which they are required to have with the Trustee pursuant to Chapter 190, and are attached to the resolution, delegated to the Chair and others the authority to execute all the documents that will be needed to fund or close the bond transaction which is scheduled for December 21, 2020 should they undertake the refinancing and approve this resolution. Prior to this meeting the Board approved the term sheet and given notice of prepayment to the other bonds and requested payoff letters from those banks, there is ratification language in the resolution which approves those actions.
- Mr. Omland asked if there were any questions.
- Mr. Haber addressed the FEMA funds noting when first discussed the expectation and idea was to maximize flexibility as it relates to the manner in which the FEMA funds would be able to be spent; meaning if the Board wanted to they had the right, but not necessarily the obligation, to use FEMA funds to redeem bonds and if they did not use the funds for that purpose they would have the ability to use them for other purposes. As part of this

transaction Bond Counsel, Bryant, Miller and Olive, has tax lawyers and they review the codes and have concluded that the FEMA funds fall within a category called "Replacement Proceeds". If the District had not issued bonds and only sought FEMA money to pay for the project that money must be used for the lakes. Under the IRS regulations Bond Counsel believes for that reason if FEMA money comes in that money will need to be used to pay down the bonds. It is still a benefit – it will reduce the assessments for those bonds but what it means is we will not be able to take that money put it in a separate account and use it for operation purposes unrelated to the lake. An option, he believes, is the District could use the FEMA money for another Capital Project. At this time, the District does not have any Capital Projects identified. To the extent, if and when, FEMA money came in if there was a Capital Project the Board wanted to look at they would need to run the project by Bond Counsel to make sure they believe it met the qualifications and still meet the tax exempt status for the bonds. The indenture document prepared by Bond Counsel specifies if the FEMA money comes in it will be used for one of two purposes – to redeem the outstanding bonds or to be used for a separate CDD Capital Project.

- Ms. Taylor noted for clarification as the Indenture exists today it does not contain the project fund; she thought they were going to seek direction from the Board. The way it is drafted now they would use it to pay down bonds; it is the cleanest thing to do from a tax perspective. If they wanted to have a project account they can add it but they would also need to add a provision that you would seek Bond Counsel opinion with respect to the tax status of the bonds so they would have an opportunity to review the capital project chosen and at that time they could advised them on how quickly they must spend the money on that particular project with those FEMA reimbursements. As it stands now it is drafted to pay down bonds.

- Mr. Omland asked can the resolution be modified to include that language, or will it delay closing?

- Ms. Taylor responded part of the delegation in the resolution we are approving these documents in substantial form; because these types of transactions can be ever moving and complicated, we do delegate authority to the Chair to accept changes, insertions and deletions from those documents. If they were to direct them to add the funding account with those provisions, it would be subject to

review by the Chair with District Counsel before signing as a final document.
Nothing in the resolution deals with FEMA.

- Mr. Omland noted this is disappointing, they really wanted the flexibility the FEMA monies would provide them for purposes like maintenance they have deferred, but we are only talking about capital improvements so they cannot use any FEMA proceeds for the things they talked about at the workshop. It is disappointing but the law is the law. He asked that the Board authorize Ms. Taylor and Mr. Haber to draft the modifications to the resolution to give them the flexibility should a capital project arise that would pass the muster of Bond Counsel in a review.
- Mr. Cantwell noted he was going to make the motion to add that verbiage and the Chair has the authorization to sign it in its substantial form.
- Mr. Haber noted the resolution does not address FEMA at all so what they will do is have one motion directing staff to amend the documents to add the account and then a separate motion approving the resolution which essentially authorizes the transaction, gives Mr. Omland and others the authority to move forward with the transaction with the expectation and goal that this will close on December 21st. There will be no further Board action after today as it relates to moving forward with the refunding of the bonds.

On MOTION by Mr. Cantwell seconded by Mr. Schliep, to redraft the bond documents to allow for the establishment of a project account utilizing FEMA funds the motion was approved with votes as follows:
Mr. Flister - Aye
Mr. Schliep – Aye
Mr. Cantwell – Aye
Mr. Omland – Aye

[Remainder of page left intentionally blank]

On MOTION by Mr. Schliep seconded by Mr. Cantwell, Resolution 2021-02, a resolution of the Board of Supervisors of Quarry Community Development District (The "District") approving the sale and terms of sale of the District's Special Assessment Refund Bond, Series 2020 (The "2020 Bond"); establishing the interest rate, maturity date, and redemption provisions thereof; approving a private placement for the 2020 Bond; approving the form and authorizing the execution and delivery of a Master Trust Indenture and a First Supplemental Trust Indenture; authorizing the refunding of the District's outstanding Special Assessment Refunding Bonds, Series 2015, Special Assessment Refunding and Improvement Bonds, Series 2018 and Special Assessment Bonds, Series 2019 (Shoreline Restoration Project) and notices of redemption with respect thereto; authorizing and ratifying certain actions of the officials and staff of the District, including the execution and delivery of all documents, instruments, agreements and certificates necessary in connection with the issuance, sale and delivery of the 2020 Bond and the refunding of the refunded bonds; appointing a Trustee; specifying the application of the proceeds of the 2020 Bond; providing certain other details with respect to the 2020 Bond; and providing an effective date was adopted with votes as follows:

Mr. Flister - Aye
Mr. Schliep - Aye
Mr. Cantwell - Aye
Mr. Omland - Aye

ii. Consideration of Resolution 2021-03, Supplemental Assessment

- Mr. Haber outlined Resolution 2021-03 noting it is a supplement to the assessment resolutions that were adopted when the Board issued the 2015 Bonds, 2018 Bonds and 2019 Bonds. It calls for a reduction in each of three assessment liens because of the result of the reduction with the new interest rate on the bonds. In the whereas clauses it gives historically the various resolutions that have been adopted in the past levying those assessments. It then makes certain findings as it relates to the benefit of moving forward with this transaction to realize those savings, it confirms the maximum assessment lien for the bond which is the maximum amount each landowner would have to pay after the refunding of the bonds, the allocation of assessments, it is worth noting that there are various exhibits to this resolution, the most meaningful is the Assessment Methodology Report Supplemental which shows the impact of the refunded bonds and shows that each bond is impacted differently. It is important because of the distinction that some properties have certain of these bonds and not others; that the integrity of each individual assessment lien remains so that the only change that folks will experience is the reduction they

should be getting as a result of the reduction in interest rate on that particular bond. The methodology provides that level of detail and is an exhibit to this resolution. There are tables which show the interest rate and maturity, which is 1.94% maturing in 2036. It also shows the debt service payments that are going to be required to be made on the bonds. He would note that the effective date says the resolution shall become effective upon its adoption and he would like to add this resolution shall become effective upon its adoption and upon the issuance of the refunding bonds. If something comes up and the refunding bonds did not get issued this allows then they need the prior assessment liens to remain in place and obviously they would not be lowered as they need the higher amounts to continue to pay the bonds that are in place. For Section 10 of the resolution he would ask when they make a motion on this resolution that it say resolution shall become effective upon its adoption and upon the issuance of the refunding bonds.

- Mr. Omland noted page ten of the methodology shows every category of home in The Quarry and the reduction impacts. This will not be on the tax bill until next November.
- Mr. Cantwell addressed collecting taxes in 2020 through Spring 2021 that are at a higher rate and therefore will have a cash surplus because they have over collected taxes because they are kicking this in in December. What is the differential? Are they under obligation to hold that cash and reduce the tax liability to the taxpayers in 2036? Does it sit in escrow?
- Ms. Sara Zare, MBS Capital Markets, discussed the revenues collected in the 2021 assessment year and indicated this is reflected in the par amount of the 2020 Bonds. The balance has to be left in the revenue account so that they can actually afford to repay the debt obligation in the 2021 year. All of those revenues have been applied or are in effect reserved for debt service.
- A resident asked where he can find the exact amount due on his property.
 - Mr. Cantwell responded you can go to the Collier County Tax Collectors website and enter the parcel number or home address – it will pull up the tax liability and will break it down by line item.

[Remainder of page left intentionally blank]

On MOTION by Mr. Cantwell seconded by Mr. Schliep, with all in favor, Resolution 2021-03 a resolution setting forth the specific terms of The Quarry Community Development District's Special Assessment Refunding Bonds, Series 2020; confirming and adopting supplemental assessment methodology; confirming, allocating and providing for the collection and payment of special assessments securing the Special Assessment Refunding Bonds, Series 2020; providing for the supplement to the Improvement Lien Book; providing for conflicts, an assessment notice, severability and an effective date was adopted as amended in Section 10 - resolution shall become effective upon its adoption and upon the issuance of the refunding bonds with votes as follows:

Mr. Flister - Aye

Mr. Schliep – Aye

Mr. Cantwell – Aye

Mr. Omland – Aye

**** Discussion Concerning an Agreement with the QCA and the Golf Course Concerning Certain Maintenance Easements and Potential Land Swaps**

- Cheryl Ollila thanked the Board for allowing this to be added and for accommodating her schedule. She noted the QCA and Golf Club are working collaboratively on a cost neutral agreement on some maintenance issues as well as conveyance of land parcels that the QCA would need to move forward if they get a positive vote on the renewal project. Specifically, they are talking about the land the Golf Club owns behind the tee box on the #1 tee as well as behind the green on #1. She believes there are lake maintenance easements that come into play on both parcels. They would like to understand what that means and what they would need to do to be able to build additional parking, possibly a storage building. Whatever they need to do they need to understand the process for getting CDD approval for what those lake maintenance easements mean and what they would need to do move forward with their plans.
- Mr. Omland noted as part of the QCA Master Plan there is a need to use some of the golf course land in a land swap that implicates our storm water management function and maintenance responsibilities within the LME. If the community votes to move with the Master Plan; the CDD's concern is subject to whatever the permitting obligation would be for that land improvement. He further addressed SFWMD permit noting there have been 18 modifications. If the work is within the jurisdiction of SFWMD would need a new ERP and a modification. If those approvals are obtained that would prove there would be no detrimental effects to the lakes and stormwater management which is the CDD principal purpose.

- Mr. Cantwell noted another possibility depending on how the permit is setup and the engineering is done it could change that to where the current LME is no longer accessible. They always have the ability to grant us a new LME based on the new plat. It could become a different LME being granted by the owner of the property.
- Mr. Omland addressed the LMEs noting they are not mentioned in the permits; the LMEs followed the permits. He does not see a reason why the CDD would object realizing it is the will of the community to proceed with the Master Plan should they do so.
- Mr. Haber noted the LMEs are there for the benefit of the CDD to undertake maintenance on property it does not own. If the changes the QCA is making changes the access the CDD needs they can work collaboratively so that the new areas that need new easements and if they do, they can be granted, and the District can record what is called a partial release of easement. In this way the QCA, Golf Course, or whoever needs it can have clean title to the property because you may not want a lake maintenance easement depending on how you are going to use it. The CDD will want to see that the water management district agrees that whatever project you are undertaking is okay with them. We would defer to our Engineer to say if we, the CDD, release this easement here but get a new perpetual maintenance easement here, do we have all the rights we need to be able to adequately maintain the system.
- Mr. Omland polled the Board on does the concept make sense and does there appear to be any objection subject to new information being provided that changes the permits. He asked the Board to raise their hand if the generally support proceeding subject to District Counsel and Engineer review of permits and so forth. After which he stated it is nothing more than an indication that we support it, go ahead and do your work and we will participate and work with you to get a successful outcome.
- Mr. Schliep noted he thinks those on the Board are cognizant that there might be some minor expenses with legal and engineering review.

SIXTH ORDER OF BUSINESS**Engineer's Report****A. Engineer's Written Report**

- Mr. Lopez reviewed his report and discussed the following.
 - A variance approval was received last week, and he will update the report. A review of the variance was done and it was submitted to Inframark.
 - No homeowners' issues.

- Proposal submitted for survey markers to delineate lake maintenance limits between The Quarry CDD and Heritage Bay CDD. It will be on the next Heritage Bay CDD agenda for approval.

SEVENTH ORDER OF BUSINESS**District Manager's Report (continued)****B. Acceptance of the Financial Report, and Approval of the Check Register and Invoices for November 2020**

- Mr. Koncar presented the financial report for November 2020.
- Mr. Omland noted he appreciated the report format, it makes it easy to review. He addressed following:
 - Overage on the Property Appraiser charge. Mr. Koncar noted he will have to check because it is split between debt service and general fund.
 - Insurance is at 91% of the budget and inquired if they are done paying insurance for the year. Mr. Koncar noted they are.
 - Page 31 – he noted the Board decided to go with a third cut of the weeds in the lake. Discussion continued on the third cut and the funds coming from the surplus funds from the Property Appraiser's office.

On MOTION by Mr. Schliep seconded by Mr. Cantwell, with all in favor, to move the \$25,000 surplus to lake maintenance was approved. 4-0

On MOTION by Mr. Cantwell seconded by Mr. Flister with all in favor the financial report for November 2020 was accepted and the check register and invoices for November were approved. 4-0

C. Update on Action Items from Meeting Notes

- Mr. Koncar reviewed the FY2021 Action Items list.
- Mr. Flister addressed Item 12 noting the netting was installed to maintain the integrity of the pond banks and minor erosion is exposing it. It can be cut away but does not end the issues causing the erosion. He spoke with the Environmental people from CPH and she does not feel they are going to have any major issues with dredging in the ponds for 20 to 30 years. He further addressed the erosion issues along the ponds in golf course noting it is an ongoing issue.
- It was noted the netting issue is not isolated to the golf course ponds.
- Mr. Cantwell noted he brought it up as he sees it as a threat to wildlife and saw an alligator under a net this morning.

- Mr. Omland asked if they can agree when the Engineer is doing the annual inspection in the Spring will address the netting and give his opinion on removal or replacement. The consensus was yes.
- Mr. Schliep requested Mr. Koncar make a correction to Item 16 noting it was not a pond survey, it was a lake and canal survey. Mr. Cantwell noted specifically for IPW.
- Mr. Omland requested Mr. Koncar date each assignment so they have some context of when they were noting they should be oldest at the top and newest at the bottom or as long as it is sequential.
- Mr. Koncar noted this is only November and the sequence is how they appeared in the meeting. Mr. Omland noted it should say November at the top.

D. Status of Resident Complaints/Inquiry Report

- Mr. Koncar noted this report was updated through December 3rd and all have been completed.
- Mr. Omland noted he has been involved on some and appreciates Inframark's quick response on some; they have received compliments from some on the timeliness of the response. Thank you and keep up the good work.

E. Variance Easement Report Update

- Mr. Koncar noted this report was sent under separate cover. It is updated as the requests are received.

F. Update on Board Seat Vacancy

- Mr. Omland noted they have a vacancy on the Board and are looking for volunteers. If they anybody who is willing to give up their time, please let them know there is an opening. They will be putting a communication on the success of the bond refinancing, the need for new members on the Board, the lake quality meeting issues and any other information.
- Mr. Schliep noted in addition to being a property owner they do need to be a Florida resident.
- Mr. Haber noted they also need to be registered to vote in Collier County.

EIGHTH ORDER OF BUSINESS

Attorney's Report

A. Attorney's Written Report

- Mr. Haber provided his written report to the Board.
- Mr. Cantwell noted the extension of the Disaster Law Consulting (DLC) contract is not on the agenda.

- Mr. Haber believes it was distributed at the beginning of the meeting noting he will defer to Mr. Omland, but he thinks they are doing a great job and he would assume Mr. Omland would want to continue his services.
- Mr. Omland noted Mr. Faircloth found in auditing paperwork that the agreement with DLC terminated this summer and they continued their work, and they need to execute a continuation of the contract.

On MOTION by Mr. Cantwell seconded by Mr. Schliep, with all in favor, to extend the preserve maintenance agreement was approved. 4-0

- Mr. Haber noted he has a meeting in Cape Coral and needs to leave by 3:00 p.m.
- Mr. Omland addressed the QCA lawsuit and the subpoena of documents from the CDD that is ongoing.

TENTH ORDER OF BUSINESS

Old Business Items

A. Update of CD101 Book

- Mr. Omland reported he sent additional changes to Mr. Lopez which he has quickly responded to. The work on CD101 is ongoing.

B. FEMA Update

- Mr. Omland reported he had a conversation with Tony Ettore (of DLC) today. Heritage Bay CDD was denied years ago, filed an appeal and were denied again. They have no further redress with FEMA, the only option is with a Federal court. If Heritage Bay CDD moves forward it could hurt Quarry CDD who was successful in navigating the public purpose argument. If Heritage Bay CDD appeals the Quarry CDD case could be revisited. He continued Ernst and Young, auditors for the Florida Department of Environmental Management, has asked for more information. They required a lot of documentation from the contractor in Phase I which was administered by a different engineer, a different District Manager and a different Board so getting information is not going to be easy. He addressed forgoing \$20,000 when they are at \$4.8 million and is the fine-line they have to figure out.

C. Discussion of Weed Harvesting Information Memo for Residents Updates

- Mr. Cantwell noted he had brought forth the idea of putting forth a memo to clarify for the residents what they can and cannot do, what the limitations are physically, budget-wise, and he began to craft the memorandum he realized it is a labyrinth that is far to complex for him to do

on his own. He thinks the memo needs to be back shelved as they need a plan first. With all of the social media, direct communication, direct experience in their votes, and Mr. Schliep's direct experience and report he is providing today. The subject of weed removal and in light of the 11-page document from Heritage Bay that Mr. Faircloth shared with them this week. As discussed at the last meeting, it is difficult to discuss what Heritage Bay is doing as they do not have a clear picture of what they are doing and the 11-page memo made clear what they are doing, which is very little in terms of navigation. It is not under their purview or interest to make their lakes totally free of IPW and they [Quarry CDD] need to take it on to their discussion to look at that. He touched base with Laura Severance to solicit support from the Heritage Bay umbrella association and she said absolutely. Quarry CDD needs to look at this as a separate initiative that is distinct from other lake maintenance issues because it relates to safety of boaters, jet skiers and kayakers and relates to the practical use of these lakes as recreational lakes.

- Mr. Omland noted at this meeting in contrast to the Quarry's social media conclusions that they are failing at their job of lake maintenance, they do take it seriously. They have reviewed documents, undertaken studies, reviewed alternative solutions with our contractor (CES). He thinks it is essential we treat our lake as a high-level priority. He feels a communication should go out; it can be an evolution. He wants the community to know – here is what we are doing, here is what we have assessed – it is a process and one thing they are doing is more cutting, treating with herbicides and trying different things. He would like to revisit the memo and try to move it along for Board approval as a policy and process.
- Mr. Cantwell addressed waiting month-to-month to get approvals noting he cannot put it out on his own and suggested Mr. Koncar or Mr. Faircloth be the final authors of the communication as they have the ability to send drafts out to the Board to look at, unless they can craft the first communication in this meeting today, in at least a draft form that Mr. Koncar could finalize.
- Mr. Flister noted the main issue is do they want a pool, or do they want a lake. The CDDs responsibility is water quality and lake management and there is a balance of how much weeds you should have versus how much you get out. He further addressed lake maintenance and weed cutting.
- Mr. Schliep addressed spending the day on the full perimeter of the lake, the canals, Boulder and Heritage Lake. He noted the contractor has had two machine failures and spent the last weeks broken down instead of cutting. This should not be an issue other than a few areas to clean up.
- Discussion ensued on the contractor.

- A resident noted he looks at this as an environmental problem noting the bass are declining.
- Mr. Omland noted they need to address a plan and formulate a communication. He inquired if the Board is interested in doing anything different than continuing on the current plan of three cuttings instead of two and appropriate herbicide treatments. He thinks the plan is established and they need to communicate that Boulder Lake is not their problem other than the portion within their boundary. They need to hold Heritage Bay accountable to do the channel cutting that they are committed to doing.
- Discussion ensued on a communication to the community and a sub-committee with the Lake Committee of the QCA. Mr. Haber noted a committee appointed by the Board is subject to the Sunshine Law. If a group of residents voluntarily forms their own group and makes a recommendation to the Board, they are not subject to the Sunshine Law.
- Mr. Cantwell noted the QCA has a designated Lake Committee.
- Mr. Haber noted they need a Board member who is comfortable with having the final say, but if the Board wants to appoint a Board member to work with that committee to come up with a program.
- Mr. Flister addressed deciding what the role of the CDD is going to be in the lake maintenance.
- The Board will review the memo provided by Mr. Cantwell previously and provide input to Mr. Koncar to summarize for the next meeting.
- A resident raised questions of what residents can do, are there chemicals they can use and how the weeds are disposed of once moved to the shore.

ELEVENTH ORDER OF BUSINESS**New Business Items**

- None.

TWELFTH ORDER OF BUSINESS**Supervisor Request/Report****A. Reports****i. Chairman's Report: Mr. Omland**

- Mr. Omland provided his report. The consultant wants to finalize his assessment methodology report and he asked him not to because he would like to get the Golf Club's work done so they can have a simple, final assessment. The consultant said he would do \$250 per change up to a maximum of \$400 per change. He noted unless the Board feels differently, he is going to have him finalize the report.

ii. Lake & Preserve: Mr. Flister

- Mr. Flister reported the CES sent the contract back, but he does not know if there are any changes or anything on that.
- Mr. Omland addressed the comment “Jeremy said they do not want to buy another machine”, he thinks they should call Will in and tell him of their concerns, express their fears of his ability to service them with one machine, tell him the complaints and ask what he proposes. This action to be coordinated for the next meeting.

iii. Pond Survey: Mr. Cantwell

None.

iv. Liaison:

- **QCA**

None.

- **HBCDD – Mr. Flister**

None.

- **HBUA – Mr. Cantwell**

None.

THIRTEENTH ORDER OF BUSINESS

Audience Comments

None.

FOURTEENTH ORDER OF BUSINESS

Adjournment

There being no further business,

On MOTION by Mr. Schliep seconded by Mr. Cantwell with all in favor the meeting was adjourned. 4-0

Secretary/Assistant Secretary

Chairperson/Vice-Chairperson

7C.

Quarry
Community Development District

Financial Report
December 31, 2020



Table of Contents

FINANCIAL STATEMENTS

Balance Sheet - All Funds	Page 1
Statement of Revenues, Expenditures and Changes in Fund Balance	
General Fund	Pages 2 - 3
Debt Service Fund(s)	Pages 4 - 7
Trend Report - General Fund	Pages 8 - 9
Notes to the Financial Statements	Page 10

SUPPORTING SCHEDULES

Special Assessments - Collection Schedule	Page 11
Cash and Investment Report	Page 12
Bank Reconciliation	Page 13
QCA Lawsuit	Page 14
Payment Register by Bank Account	Page 15

**Quarry
Community Development District**

Financial Statements

(Unaudited)

December 31, 2020

Balance Sheet
December 31, 2020

ACCOUNT DESCRIPTION	GENERAL FUND	201 - SERIES 2015 DEBT SERVICE FUND	202 - SERIES 2018 DEBT SERVICE FUND	203 - SERIES 2019 DEBT SERVICE FUND	204 - SERIES 2020 DEBT SERVICE FUND	TOTAL
<u>ASSETS</u>						
Cash - Checking Account	\$ 1,805,813	\$ -	\$ -	\$ -	\$ -	\$ 1,805,813
Allow -Doubtful Accounts	(829)	(1,774)	(461)	(706)	-	(3,770)
Assessments Receivable	829	1,774	461	706	-	3,770
Due From Other Gov'tl Units	214	-	-	-	-	214
Due From Other Funds	-	782,226	221,769	240,819	51,029	1,295,843
Investments:						
Money Market Account	96,228	-	-	-	-	96,228
Cost of Issuance Fund	-	-	-	-	53,367	53,367
Reserve Fund	-	2	1	-	-	3
Revenue Fund	-	1	-	-	-	1
TOTAL ASSETS	\$ 1,902,255	\$ 782,229	\$ 221,770	\$ 240,819	\$ 104,396	\$ 3,251,469
<u>LIABILITIES</u>						
Accounts Payable	\$ 10,389	\$ -	\$ -	\$ -	\$ -	\$ 10,389
Accrued Expenses	5,417	-	-	-	-	5,417
Due To Other Funds	1,295,843	-	-	-	-	1,295,843
TOTAL LIABILITIES	1,311,649	-	-	-	-	1,311,649
<u>FUND BALANCES</u>						
Restricted for:						
Debt Service	-	782,229	221,770	240,819	104,396	1,349,214
Unassigned:	590,606	-	-	-	-	590,606
TOTAL FUND BALANCES	\$ 590,606	\$ 782,229	\$ 221,770	\$ 240,819	\$ 104,396	\$ 1,939,820
TOTAL LIABILITIES & FUND BALANCES	\$ 1,902,255	\$ 782,229	\$ 221,770	\$ 240,819	\$ 104,396	\$ 3,251,469

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Period Ending December 31, 2020

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	YEAR TO DATE ACTUAL	YTD ACTUAL AS A % OF ADOPTED BUD	DEC-20 ACTUAL
REVENUES				
Interest - Investments	\$ 400	\$ 80	20.00%	\$ 23
Golf Course Revenue	18,000	-	0.00%	-
Special Assmnts- Tax Collector	579,497	519,962	89.73%	217,855
Special Assmnts- Discounts	(23,180)	(20,652)	89.09%	(8,527)
Other Miscellaneous Revenues	40,000	2,000	5.00%	1,000
TOTAL REVENUES	614,717	501,390	81.56%	210,351

EXPENDITURES**Administration**

P/R-Board of Supervisors	12,000	2,400	20.00%	600
FICA Taxes	918	184	20.04%	46
ProfServ-Arbitrage Rebate	600	-	0.00%	-
ProfServ-Engineering	45,000	8,759	19.46%	2,158
ProfServ-Legal Services	30,000	1,295	4.32%	840
ProfServ-Legal Litigation	25,000	3,888	15.55%	3,888
ProfServ-Mgmt Consulting Serv	57,000	14,250	25.00%	4,750
ProfServ-Other Legal Charges	-	2,559	0.00%	1,745
ProfServ-Property Appraiser	8,000	14,453	180.66%	-
ProfServ-Trustee Fees	9,000	7,189	79.88%	-
ProfServ-Consultants	20,000	-	0.00%	-
Auditing Services	4,900	-	0.00%	-
Contract-Website Hosting	1,550	-	0.00%	-
Website Compliance	1,515	388	25.61%	-
Postage and Freight	750	80	10.67%	69
Insurance - General Liability	6,655	6,064	91.12%	-
Printing and Binding	750	75	10.00%	13
Legal Advertising	4,000	-	0.00%	-
Miscellaneous Services	2,000	-	0.00%	-
Misc-Bank Charges	50	210	420.00%	39
Misc-Special Projects	20,000	-	0.00%	-
Misc-Assessmnt Collection Cost	11,590	9,986	86.16%	4,187
Misc-Contingency	1,000	-	0.00%	-
Office Supplies	800	-	0.00%	-
Annual District Filing Fee	175	175	100.00%	-
Total Administration	263,253	71,955	27.33%	18,335

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Period Ending December 31, 2020

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	YEAR TO DATE ACTUAL	YTD ACTUAL AS A % OF ADOPTED BUD	DEC-20 ACTUAL
<u>Field</u>				
Lake & Preserve Maintenance	140,000	18,576	13.27%	7,742
Miscellaneous Maintenance	111,464	-	0.00%	-
Capital Projects	50,000	-	0.00%	-
Total Field	301,464	18,576	6.16%	7,742
<u>Reserves</u>				
Reserve - Other	50,000	-	0.00%	-
Total Reserves	50,000	-	0.00%	-
TOTAL EXPENDITURES & RESERVES	614,717	90,531	14.73%	26,077
Excess (deficiency) of revenues				
Over (under) expenditures	-	410,859	0.00%	184,274
Net change in fund balance	\$ -	\$ 410,859	0.00%	\$ 184,274
FUND BALANCE, BEGINNING (OCT 1, 2020)	179,747	179,747		
FUND BALANCE, ENDING	\$ 179,747	\$ 590,606		

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Period Ending December 31, 2020

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	YEAR TO DATE ACTUAL	YTD ACTUAL AS A % OF ADOPTED BUD	DEC-20 ACTUAL
REVENUES				
Interest - Investments	\$ 100	\$ 11	11.00%	\$ 3
Special Assmnts- Tax Collector	1,239,461	1,077,384	86.92%	431,225
Special Assmnts- Discounts	(49,578)	(43,062)	86.86%	(17,129)
TOTAL REVENUES	1,189,983	1,034,333	86.92%	414,099
EXPENDITURES				
Administration				
Misc-Assessmnt Collection Cost	24,789	20,686	83.45%	8,282
Total Administration	24,789	20,686	83.45%	8,282
Debt Service				
Principal Debt Retirement	615,000	-	0.00%	-
Principal Prepayments	-	13,408,713	0.00%	13,408,713
Interest Expense	538,104	271,264	50.41%	-
Total Debt Service	1,153,104	13,679,977	1186.36%	13,408,713
TOTAL EXPENDITURES	1,177,893	13,700,663	1163.15%	13,416,995
Excess (deficiency) of revenues Over (under) expenditures	12,090	(12,666,330)	n/a	(13,002,896)
OTHER FINANCING SOURCES (USES)				
Proceeds of Refunding Bonds	-	12,573,624	0.00%	12,573,624
Contribution to (Use of) Fund Balance	12,090	-	0.00%	-
TOTAL FINANCING SOURCES (USES)	12,090	12,573,624	n/a	12,573,624
Net change in fund balance	\$ 12,090	\$ (92,706)	n/a	\$ (429,272)
FUND BALANCE, BEGINNING (OCT 1, 2020)	874,935	874,935		
FUND BALANCE, ENDING	\$ 887,025	\$ 782,229		

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Period Ending December 31, 2020

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	YEAR TO DATE ACTUAL	YTD ACTUAL AS A % OF ADOPTED BUD	DEC-20 ACTUAL
<u>REVENUES</u>				
Interest - Investments	\$ 100	\$ 5	5.00%	\$ 2
Special Assmnts- Tax Collector	322,125	280,003	86.92%	112,072
Special Assmnts- Discounts	(12,885)	(11,191)	86.85%	(4,452)
TOTAL REVENUES	309,340	268,817	86.90%	107,622
<u>EXPENDITURES</u>				
<u>Administration</u>				
Misc-Assessmnt Collection Cost	6,443	5,376	83.44%	2,152
Total Administration	6,443	5,376	83.44%	2,152
<u>Debt Service</u>				
Principal Debt Retirement	188,740	188,740	100.00%	-
Principal Prepayments	-	3,132,762	0.00%	3,132,762
Interest Expense	98,024	50,451	51.47%	-
Total Debt Service	286,764	3,371,953	1175.86%	3,132,762
TOTAL EXPENDITURES	293,207	3,377,329	1151.86%	3,134,914
Excess (deficiency) of revenues Over (under) expenditures	16,133	(3,108,512)	n/a	(3,027,292)
<u>OTHER FINANCING SOURCES (USES)</u>				
Interfund Transfer - In	-	51	0.00%	51
Proceeds of Refunding Bonds	-	2,946,305	0.00%	2,946,305
Contribution to (Use of) Fund Balance	16,133	-	0.00%	-
TOTAL FINANCING SOURCES (USES)	16,133	2,946,356	n/a	2,946,356
Net change in fund balance	\$ 16,133	\$ (162,156)	n/a	\$ (80,936)
FUND BALANCE, BEGINNING (OCT 1, 2020)	383,926	383,926		
FUND BALANCE, ENDING	\$ 400,059	\$ 221,770		

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Period Ending December 31, 2020

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	YEAR TO DATE ACTUAL	YTD ACTUAL AS A % OF ADOPTED BUD	DEC-20 ACTUAL
REVENUES				
Interest - Investments	\$ 100	\$ 13	13.00%	\$ -
Special Assmnts- Tax Collector	357,873	311,076	86.92%	124,509
Special Assmnts- Prepayment	-	4,537	0.00%	4,537
Special Assmnts- Discounts	(14,315)	(12,433)	86.85%	(4,946)
TOTAL REVENUES	343,658	303,193	88.23%	124,100
EXPENDITURES				
Administration				
Misc-Assessmnt Collection Cost	7,157	5,973	83.46%	2,391
Total Administration	7,157	5,973	83.46%	2,391
Debt Service				
Principal Debt Retirement	215,686	-	0.00%	-
Principal Prepayments	850,000	3,232,089	380.25%	2,382,089
Interest Expense	136,065	78,392	57.61%	-
Total Debt Service	1,201,751	3,310,481	275.47%	2,382,089
TOTAL EXPENDITURES	1,208,908	3,316,454	274.33%	2,384,480
Excess (deficiency) of revenues Over (under) expenditures	(865,250)	(3,013,261)	n/a	(2,260,380)
OTHER FINANCING SOURCES (USES)				
Interfund Transfer - In	-	1	0.00%	-
Proceeds of Refunding Bonds	-	2,312,697	0.00%	2,312,697
Contribution to (Use of) Fund Balance	(865,250)	-	0.00%	-
TOTAL FINANCING SOURCES (USES)	(865,250)	2,312,698	n/a	2,312,697
Net change in fund balance	\$ (865,250)	\$ (700,563)	80.97%	\$ 52,317
FUND BALANCE, BEGINNING (OCT 1, 2020)	941,382	941,382		
FUND BALANCE, ENDING	\$ 76,132	\$ 240,819		

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Period Ending December 31, 2020

ACCOUNT DESCRIPTION	ANNUAL ADOPTED BUDGET	YEAR TO DATE ACTUAL	YTD ACTUAL AS A % OF ADOPTED BUD	DEC-20 ACTUAL
REVENUES				
Interest - Investments	\$ -	\$ -	0.00%	\$ -
Special Assmnts- Tax Collector	-	53,787	0.00%	53,787
Special Assmnts- Discounts	-	(1,717)	0.00%	(1,717)
TOTAL REVENUES	-	52,070	0.00%	52,070
EXPENDITURES				
Administration				
Misc-Assessmnt Collection Cost	-	1,041	0.00%	1,041
Total Administration	-	1,041	0.00%	1,041
Debt Service				
Cost of Issuance	-	224,006	0.00%	224,006
Total Debt Service	-	224,006	0.00%	224,006
TOTAL EXPENDITURES	-	225,047	0.00%	225,047
Excess (deficiency) of revenues				
Over (under) expenditures	-	(172,977)	0.00%	(172,977)
OTHER FINANCING SOURCES (USES)				
Proceeds of Refunding Bonds	-	277,373	0.00%	277,373
TOTAL FINANCING SOURCES (USES)	-	277,373	0.00%	277,373
Net change in fund balance	\$ -	\$ 104,396	0.00%	\$ 104,396
FUND BALANCE, BEGINNING (OCT 1, 2020)	-	-		
FUND BALANCE, ENDING	\$ -	\$ 104,396		

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Period Ending December 31, 2020

Account Description	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	TOTAL				
	Actual	Actual	Actual	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Actual Thru 12/31/2020	Projected Next 9 Mths	FY2021 Total	Adopted Budget	% of Budget
Revenues																	
Interest - Investments	\$ 34	\$ 24	\$ 23	\$ 33	\$ 33	\$ 33	\$ 33	\$ 33	\$ 33	\$ 33	\$ 33	\$ 33	\$ 80	\$ 297	\$ 377	\$ 400	94%
Golf Course Revenue	-	-	-	-	-	-	-	-	-	-	-	18,000	-	18,000	18,000	18,000	100%
Special Assmnts- Tax Collector	3,227	298,880	217,855	59,535	-	-	-	-	-	-	-	-	519,962	59,535	579,497	579,497	100%
Special Assmnts- Discounts	(169)	(11,955)	(8,527)	(2,381)	-	-	-	-	-	-	-	-	(20,652)	(2,381)	(23,033)	(23,180)	99%
Other Miscellaneous Revenues	1,000	-	1,000	-	-	-	-	-	-	-	-	40,000	2,000	40,000	42,000	40,000	105%
Total Revenues	4,092	286,949	210,351	57,187	33	33	33	33	33	33	33	58,033	501,390	115,451	616,841	614,717	100%
Expenditures																	
Administrative																	
P/R-Board of Supervisors	1,600	200	600	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	2,400	9,000	8,000	12,000	67%
FICA Taxes	122	15	46	77	77	77	77	77	77	77	77	77	184	689	616	918	67%
ProfServ-Arbitrage Rebate	-	-	-	-	-	-	-	-	-	-	-	600	-	600	600	600	100%
ProfServ-Engineering	-	6,601	2,158	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	8,759	33,750	30,000	45,000	67%
ProfServ-Legal Services	-	455	840	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	1,295	22,500	20,000	30,000	67%
ProfServ-Legal Litigation	-	-	3,888	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	3,888	18,750	16,664	25,000	67%
ProfServ-Mgmt Consulting Serv	4,691	4,809	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	4,750	14,250	42,750	38,000	57,000	67%
ProfServ-Other Legal Charges	814	-	1,745	-	-	-	-	-	-	-	-	-	2,559	-	-	-	0%
ProfServ-Property Appraiser	14,453	-	-	-	-	-	-	-	8,000	-	-	-	14,453	8,000	8,000	8,000	100%
ProfServ-Trustee Fees	2,163	5,026	-	-	-	-	-	-	-	-	-	9,000	7,189	9,000	9,000	9,000	100%
ProfServ-Consultants	-	-	-	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	1,667	-	15,000	13,336	20,000	67%
Auditing Services	-	-	-	-	-	4,900	-	-	-	-	-	-	-	4,900	4,900	4,900	100%
Contract-Website Hosting	-	-	-	-	-	-	388	-	-	388	-	388	-	1,163	1,164	1,550	75%
Website Compliance	388	-	-	379	-	-	379	-	-	379	-	-	388	1,136	758	1,515	50%
Postage and Freight	5	7	69	63	63	63	63	63	63	63	63	63	80	563	504	750	67%
Insurance - General Liability	6,064	-	-	-	-	-	-	-	-	-	-	-	6,064	-	-	6,655	0%
Printing and Binding	48	14	13	63	63	63	63	63	63	63	63	63	75	563	504	750	67%
Legal Advertising	-	-	-	-	-	-	-	-	4,000	-	-	-	-	4,000	4,000	4,000	100%
Miscellaneous Services	-	-	-	167	167	167	167	167	167	167	167	163	-	1,499	1,332	2,000	67%
Misc-Bank Charges	81	91	39	4	4	4	4	4	4	4	4	6	210	38	34	50	68%
Misc-Special Projects	-	-	-	-	-	-	-	-	-	-	-	20,000	-	20,000	20,000	20,000	100%
Misc-Assessmnt Collection Cost	61	5,738	4,187	1,191	-	-	-	-	-	-	-	-	9,986	7,727	-	11,590	0%
Misc-Contingency	-	-	-	-	-	-	-	-	-	-	-	1,000	-	1,000	1,000	1,000	100%
Office Supplies	-	-	-	67	67	67	67	67	67	67	67	67	-	600	536	800	67%
Annual District Filing Fee	-	175	-	-	-	-	-	-	-	-	-	-	175	-	-	175	0%
Total Administrative	30,490	23,131	18,335	17,761	16,191	21,091	16,958	16,191	28,191	16,958	16,191	47,177	71,955	203,228	275,183	263,253	105%

Statement of Revenues, Expenditures and Changes in Fund Balances
For the Period Ending December 31, 2020

Account Description	Oct Actual	Nov Actual	Dec Actual	Jan Budget	Feb Budget	Mar Budget	Apr Budget	May Budget	Jun Budget	Jul Budget	Aug Budget	Sep Budget	TOTAL				
													Actual Thru 12/31/2020	Projected Next 9 Mths	FY2021 Total	Adopted Budget	% of Budget
<u>Field</u>																	
Lake & Preserve Maintenance	5,417	5,417	7,742	11,667	11,667	11,667	11,667	11,667	11,667	11,667	11,667	11,663	18,576	104,999	93,332	140,000	67%
Miscellaneous Maintenance	-	-	-	9,289	9,289	9,289	9,289	9,289	9,289	9,289	9,289	9,289	-	83,598	74,312	111,464	67%
Capital Projects	-	-	-	-	-	-	-	-	-	-	-	50,000	-	50,000	50,000	50,000	100%
Total Field	5,417	5,417	7,742	20,956	20,956	20,956	20,956	20,956	20,956	20,956	20,956	70,952	18,576	238,597	257,173	301,464	85%
Total Expenditures	35,907	28,548	26,077	38,717	37,147	42,047	37,914	37,147	49,147	37,914	37,147	118,129	90,531	441,825	532,356	564,717	94%
<u>Reserves</u>																	
Reserve - Other	-	-	-	-	-	-	-	-	-	-	-	50,000	-	50,000	50,000	50,000	100%
Total Reserves	-	-	-	-	-	-	-	-	-	-	-	50,000	-	50,000	50,000	50,000	100%
Total Expenditures & Reserves	35,907	28,548	26,077	38,717	37,147	42,047	37,914	37,147	49,147	37,914	37,147	168,129	90,531	491,825	582,356	614,717	95%
Excess (deficiency) of revenues Over (under) expenditures	(31,815)	258,401	184,274	18,470	(37,114)	(42,014)	(37,881)	(37,114)	(49,114)	(37,881)	(37,114)	(110,096)	410,859	(376,374)	34,485	-	0%
<u>Other Financing Sources (Uses)</u>																	
Contribution to (Use of) Fund Balance	-	-	-	18,470	(37,114)	(42,014)	(37,881)	(37,114)	(49,114)	(37,881)	(37,114)	(110,096)	-	(376,374)	(376,374)	-	0%
Total Financing Sources (Uses)	-	-	-	18,470	(37,114)	(42,014)	(37,881)	(37,114)	(49,114)	(37,881)	(37,114)	(110,096)	-	(376,374)	(376,374)	-	0%
Net change in fund balance	\$ (31,815)	\$ 258,401	\$ 184,274	\$ 18,470	\$ (37,114)	\$ (42,014)	\$ (37,881)	\$ (37,114)	\$ (49,114)	\$ (37,881)	\$ (37,114)	\$ (110,096)	\$ 410,859	\$ (376,374)	\$ 34,485	\$ -	0%
Fund Balance, Beginning (Oct 1, 2020)													179,747	-	179,747	179,747	
Fund Balance, Ending													\$ 590,606	\$ (376,374)	\$ 214,232	\$ 179,747	

THE QUARRY

Community Development District

*Statement of Revenue and Expenditures - All Funds***Notes to the Financial Statements***December 31, 2020***General Fund**► **Assets**■ **Due From Other Funds** - Assessments transferred in January from General Fund to Series 2020 Revenue Account at U.S. Bank

Series 2015	\$ 782,226
Series 2018	\$ 221,769
Series 2019	\$ 240,819
Series 2020	\$ 51,029

► **Liabilities**■ **Due To Other Funds** - Assessments transferred in January to Series 2020 Revenue Account from General Fund**Variance Analysis**

Account Name	Annual Budget	YTD Actual	% of Budget	Explanation
Revenues				
Other Miscellaneous Revenue	\$0	\$2,000	0%	4 variance zoning from easement payments
Expenditures				
<u>Administration</u>				
ProfServ-Other Legal Charges	\$0	\$2,559	0%	Grant, Fridkin, re: Centex Real Estate Co., LLC
ProfServ-Property Appraiser	\$8,000	\$14,453	181%	Collier County Property Appraiser non-advalorem, budget based on prior year actuals
ProfServ-Trustee Fees	\$9,000	\$7,189	80%	U.S. Bank, Series 2018 fees Oct 2020 thru Apr 2021; Series 2015 fees Oct 2020 thru Sept 2021
Website Compliance	\$1,515	\$388	26%	Innersync Studio, quarterly web/compliance services
Insurance-General Liability	\$6,655	\$6,064	91%	EGIS Insurance paid in full
Misc-Bank Charges	\$50	\$210	420%	Hancock Whitney account analysis fees to-date higher than anticipated

Quarry
Community Development District

Supporting Schedules

December 31, 2020

**Non-Ad Valorem Special Assessments - Collier County Tax Collector
(Monthly Collection Distributions)
For the Fiscal Year Ending September 30, 2021**

					ALLOCATION BY FUND				
Date Received	Net Amount Received	Discount / (Penalties) Amount	Collection Cost	Gross Amount Received	General Fund	Series 2015 Debt Service Fund	Series 2018 Debt Service Fund	Series 2019 Debt Service Fund	Series 2020 Debt Service Fund
Assessments Levied FY 2020				\$ 2,498,960	\$ 579,501	\$ 1,239,461	\$ 322,125	\$ 357,873	\$ -
Allocation %				100.00%	23.19%	49.60%	12.89%	14.32%	0.00%
<i>Real Estate - Installment</i>									
10/29/20	\$ 12,923	\$ 731	\$ 264	\$ 13,918	\$ 3,227	\$ 6,903	\$ 1,794	\$ 1,993	\$ -
12/22/20	\$ 1,860	\$ 59	\$ 38	1,957	454	-	-	-	1,503
<i>Real Estate - Current</i>									
11/16/20	22,268	947	454	23,669	5,489	11,740	3,051	3,390	-
11/20/20	567,893	24,145	11,590	603,628	139,979	299,394	77,810	86,445	-
11/27/20	622,386	26,462	12,702	661,549	153,411	328,122	85,276	94,740	-
12/10/20	818,188	34,536	16,698	869,422	201,616	431,225	112,072	124,509	-
12/22/20	64,575	2,176	1,318	68,070	15,785	-	-	-	52,284
TOTAL					\$ 519,962	\$ 1,077,384	\$ 280,003	\$ 311,076	53,787
% COLLECTED					89.73%	89.73%	86.92%	86.92%	0.00%
TOTAL OUTSTANDING					\$ 256,747	\$ 59,539	\$ 162,077	\$ 42,122	\$ 46,797
									(53,787)

Note: Assessments collected after 12/21/20 bond refinance will be transferred to Series 2020 Revenue Account at U.S. Bank.

Cash & Investment Report
December 31, 2020

<u>ACCOUNT NAME</u>	<u>BANK NAME</u>	<u>YIELD</u>	<u>BALANCE</u>
OPERATING FUND			
Operating - Checking Account	Hancock Whitney	0.00%	\$ 1,805,813 (1)
		Subtotal	<u>1,805,813</u>
Public Funds MMA Variance Account	BankUnited	0.28%	96,228
		Subtotal	<u>96,228</u>
DEBT SERVICE AND CAPITAL PROJECT FUNDS			
Series 2015 Reserve Acct	U.S. Bank	0.01%	2
Series 2015 Revenue Fund	U.S. Bank	0.01%	1
Series 2018 Reserve Acct	U.S. Bank	0.01%	1
Series 2020 Cost of Issuance Acct	U.S. Bank	0.01%	53,367
		Subtotal	<u>53,371</u>
		Total	<u><u>\$ 1,955,413</u></u>

NOTE 1 - January transfer to U.S. Bank \$1,295,843 and to BankUnited MMA \$425,000

Quarry CDD

Bank Reconciliation

Bank Account No. 3489 Hancock & Whitney Bank General Fund
Statement No. 12-20
Statement Date 12/31/2020

G/L Balance (LCY)	1,805,813.32	Statement Balance	1,807,293.02
G/L Balance	1,805,813.32	Outstanding Deposits	0.00
Positive Adjustments	0.00		
		Subtotal	1,807,293.02
Subtotal	1,805,813.32	Outstanding Checks	1,479.70
Negative Adjustments	0.00	Differences	0.00
Ending G/L Balance	1,805,813.32	Ending Balance	1,805,813.32
Difference	0.00		

Posting Date	Document Type	Document No.	Description	Amount	Cleared Amount	Difference
Outstanding Checks						
12/16/2020	Payment	8194	TIMOTHY B. CANTWELL	184.70	0.00	184.70
12/29/2020	Payment	8198	HOPPING GREEN & SAMS	1,295.00	0.00	1,295.00
Total Outstanding Checks.....				1,479.70		1,479.70

**QCA Lawsuit
December 31, 2020**

<u>Date</u>	<u>Vendor</u>	<u>Inv #</u>	<u>Check #</u>	<u>Amount</u>	<u>Hours</u>	<u>Description</u>
2/29/2020	HGS	113982	8081	\$ 728.00	2.8	Wes Haber hours
6/30/2020	HGS	116536	8140	156.00	0.6	Wes Haber hours
8/31/2020	HGS	117756	8165	234.00	0.9	Wes Haber hours
9/30/2020	HGS	118420	8187	78.00	0.3	Wes Haber hours
Total				<u>\$ 1,196.00</u>	<u>4.6</u>	<u>Hopping Green Sams</u>
9/4/2020	GFP	113081	8146	700.00	2.5	Michael Traficante hours
10/8/2020	GFP	113350	8161	814.00	2.2	Michael Traficante hours
11/6/2020	GFP	113573	8177	455.00	1.3	Michael Traficante hours
12/7/2020	GFP	113774	8192	1,290.00	4.8	Michael Traficante hours
Total				<u>\$ 3,259.00</u>	<u>10.8</u>	<u>Grant, Fridkin, Pearson</u>
Grand Total				<u>\$ 4,455.00</u>	<u>15.4</u>	

QUARRY COMMUNITY DEVELOPMENT DISTRICT

Payment Register by Bank Account

For the Period from 12/01/20 to 12/31/20

(Sorted by Check / ACH No.)

Pymt Type	Check / ACH No.	Date	Payee Type	Payee	Invoice No.	Payment Description	Invoice / GL Description	G/L Account #	Amount Paid
-----------	-----------------	------	------------	-------	-------------	---------------------	--------------------------	---------------	-------------

HANCOCK & WHITNEY BANK GENERAL FUND - (ACCT# XXXXX3489)

Check	8186	12/03/20	Vendor	INFRAMARK LLC	57418	NOV MGMT FEES	ProfServ-Mgmt Consulting Serv	001-531027-51201	\$4,750.00
Check	8186	12/03/20	Vendor	INFRAMARK LLC	57418	NOV MGMT FEES	Printing and Binding	001-547001-51301	\$13.86
Check	8186	12/03/20	Vendor	INFRAMARK LLC	57418	NOV MGMT FEES	Postage and Freight	001-541006-51301	\$6.50
Check	8186	12/03/20	Vendor	INFRAMARK LLC	57418	NOV MGMT FEES	ProfServ-Mgmt Consulting Serv	001-531027-51201	\$58.67
Check	8187	12/03/20	Vendor	HOPPING GREEN & SAMS	118420	GEN COUSEL THRU SEPT 2020	ProfServ-Legal Services	001-531023-51401	\$2,137.07
Check	8188	12/03/20	Vendor	PENINSULA IMPROVEMENT CORP.	INV007313	OCT LAKE/LITTORAL MAINT	Lake & Preserve Maintenance	001-546188-53901	\$5,417.00
Check	8189	12/10/20	Vendor	QUARRY CDD - C/O U.S. BANK N.A.	12072020-201	ASSESSMENT COLLECTIONS 2020/21	Due From Other Funds	131000	\$225,000.00
Check	8190	12/10/20	Vendor	QUARRY CDD - C/O U.S. BANK N.A.	12072020-202	ASSESSMENT COLLECTIONS 2020-21	Due From Other Funds	131000	\$40,000.00
Check	8191	12/10/20	Vendor	QUARRY CDD - C/O HANCOCK BANK	12072020-203	ASSESSMENT COLLECTIONS 2020/21	Due From Other Funds	131000	\$50,000.00
Check	8192	12/16/20	Vendor	GRANT, FRIDKIN, PEARSON, PA.	113774	LEGAL SVCS THRU NOV 2020	ProfServ-Other Legal Charges	001-531028-51401	\$1,290.00
Check	8193	12/16/20	Vendor	DISASTER LAW & CONSULTING, LLC	2234201100428	LEGAL COUNSEL THRU NOV 2020	ProfServ-Legal Litigation	001-531024-51401	\$3,887.50
Check	8194	12/16/20	Employee	TIMOTHY B. CANTWELL	PAYROLL	December 16, 2020 Payroll Posting			\$184.70
Check	8195	12/16/20	Employee	LLOYD SCHLIEP	PAYROLL	December 16, 2020 Payroll Posting			\$184.70
Check	8196	12/16/20	Employee	STANLEY 9. OMLAND	PAYROLL	December 16, 2020 Payroll Posting			\$184.70
Check	8197	12/29/20	Vendor	INFRAMARK LLC	58571	DEC MGMT FEES	ProfServ-Mgmt Consulting Serv	001-531027-51201	\$4,750.00
Check	8197	12/29/20	Vendor	INFRAMARK LLC	58571	DEC MGMT FEES	Printing and Binding	001-547001-51301	\$13.00
Check	8197	12/29/20	Vendor	INFRAMARK LLC	58571	DEC MGMT FEES	Postage and Freight	001-541006-51301	\$9.00
Check	8198	12/29/20	Vendor	HOPPING GREEN & SAMS	118999	GEN COUNSEL THRU OCT 2020	ProfServ-Legal Services	001-531023-51401	\$1,295.00

Account Total **\$339,181.70**

7D.

QUARRY - FY2021 ACTION ITEM LIST							
#	Items	Assigned To	Status				Comments
			Pending	Ongoing	Delayed	Completed	
1	Follow-up on Boulder marker a) obtain Heritage Bay's buy in, b) see if they are willing to participate in funding, c) investigate the possibility of putting in a buoy	Albert Justin	X				This has been placed on the agenda for the January meeting of the Heritage Bay Board. We will report back on their actions.
2	Investigate any changes to the initial write up (on weed harvesting) from Supervisor Cantwell and get back to Bob and Justin with their changes. Investigate the issue of responsibility for weed harvesting in Boulder Lake (HBUA, QCA, Umbrella Association, etc)	All Supervisors Bob Justin	X				
3	Formally request Heritage Bay to advise on the navigation issues between lakes 30A and 30B and what steps they will take to address this issue	Chairman Justin	X				Herbicide has been used with their vendor to treat the passageway between the markers the District has committed to keeping clear. They have tried to bring their machine in a few times to trim the pondweed, however, due to the cold front it has been too windy to collect the debris and do the cutting currently. When the cold front passes and the
4	Get better technology for call in of Board members and/or personnel	Bob Justin	X				We will have a temporary solutions at the December meeting. However a better, long terms solution needs to involve the QCA.
7	Develop a financial report on QCA lawsuit and expenses by the District and send to the Board in the onthly financial Report	Bob Inframark Financial Team					
10	Consensus of the Board to authorize the Chair to meet with Golf Course representatives to discuss the draft O & M methodology report	Chairman		X			
12	Have CES review the issue of floating nets in some ponds and provide a potential solution for this problem	Supervisor Flister	X				
13	Consensus by the Board that there should be three weed cuttings a year for FY2021 utilize the surplus funds (credit from Tax Assessor office in the amount of \$25,000)						
14	Review potential contract expansion for third cutting to determine potential pricing	Supervisor Flister	X				
15	Review of current permit to identify any mitigation area in District ponds	Justin Albert					
14-Dec-20							
#	Items	Assigned To	Status				Comments
			Pending	Ongoing	Delayed	Completed	

1	Wes to review the potential for a fact finding mission by all Board Members	Wes				X	
2	Add to the future District agendas: update on discussion with the golf course on the proposed assessment methodology	Alison				X	
3	QCA and Golf Course to review Lake maintenance easement permit issue. QCA to report back	QCA	X				
4	Follow-up on General fund expenditure for the property appraiser. The financails show an expenditure of \$14,453 and the budgeteted amount is \$8,000. Why are we over the expenditure for the year	Finance Team				X	Detail provided under separate cover.
5	Date future follow up items from previous Board Meetings. Take items not completed on the previous report and add them as the first item on the next months report	Alison				X	
6	Assign the \$25,000 refund from the property appraisers office from the previous years to the lake maintenance line item	Finance Team					After review of this matter it will not be possible. Detail is provided under separate cover.
7	Develop weed management communication and forward to Bob prior to the next meeting	Supervisors/Bob	X				
8	Ask Will from CES to come to the next meeting to discuss their ability to serve the District. Put toward the front of othe agenda	Supervisor Flister				X	

7E.

Resident Follow Up Matrix							
Request	Resident	Date of	Request	Status			Notes/
Number		Request		Completed	Pending	Ongoing	Follow Up
							Required
1	Sean Phillips	10/27/2020	8805 Spinner Cove Lane - weeds in canal	X			Weeds in the canal were harvested
							Supervisor Flister followed up and Bob.
2	Diane Lecca	10/30/2020	8826 Spinner Cove Lane - weeds in lake	X			Weeds were harvested near her property
							and she thanked us for the follow up
3	Karen Jones	11/3/2020	8783 Coastline - weeds in the lake	X			Waiting for treatment in Mid November
4	Audrey Schwartz	11/4/2020	Payoff for Assessments	X			Request sent to assessment team
5	Larry Drappi	11/5/2020	Questions on assessments	X			Sent response and resident has no further
							questions.
6	Gerald Smith	11/11/2020	9392 Slate Ct. - request on assessments	X			Sent to assessment team for additional
							information.
7	Pete Reitz	11/15/2020	Weeds in Boulder Lake	X			Responded to resident waiting for weed
							harvesting to be completed.
8	James Parish	18-Nov	CDD Payoff Information	X			
9	Dave Bucco	3-Dec	Questions on assessments	X			We provided a detailed response and he
							acknowledged that it answered his
							questions.
10	Peter Rietz	12/22/2020	Weeds in Boulder Lake	X			Supervisor Flister and I discussed this and
							he responded to the resident about weed
							removal in Boulder Lake.
11	Joseph Fitzgerald	1/5/2021	8723 Coastline Ct, Naples, Fl 34120 weeds	X			We followed up with CES and the weeds
			left on the shore near his property				have been removed.

Eighth Order of Business

8A

QUARRY COMMUNITY DEVELOPMENT DISTRICT
DISTRICT COUNSEL REPORT
January 18, 2021 MEETING

1. Work with various parties in connection with issuance of 2020 Refunding Bonds.
2. Research issue regarding ability to hold “mobile” workshop.

8B

E-Verify

Company ID Number: _____

THE E-VERIFY MEMORANDUM OF UNDERSTANDING FOR EMPLOYERS

ARTICLE I PURPOSE AND AUTHORITY

The parties to this agreement are the Department of Homeland Security (OHS) and the _____ (Employer). The purpose of this agreement is to set forth terms and conditions which the Employer will follow while participating in E-Verify.

E-Verify is a program that electronically confirms an employee's eligibility to work in the United States after completion of Form 1-9, Employment Eligibility Verification (Form 1-9). This Memorandum of Understanding (MOU) explains certain features of the E-Verify program and describes specific responsibilities of the Employer, the Social Security Administration (SSA), and DHS.

Authority for the E-Verify program is found in Title IV, Subtitle A, of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (IIRIRA), Pub. L. 104-208, 110 Stat. 3009, as amended (8 U.S.C. § 1324a note). The Federal Acquisition Regulation (FAR) Subpart 22.18, "Employment Eligibility Verification" and Executive Order 12989, as amended, provide authority for Federal contractors and subcontractors (Federal contractor) to use E-Verify to verify the employment eligibility of certain employees working on Federal contracts.

ARTICLE II RESPONSIBILITIES

A. RESPONSIBILITIES OF THE EMPLOYER

1. The Employer agrees to display the following notices supplied by DHS in a prominent place that is clearly visible to prospective employees and all employees who are to be verified through the system:

- a. Notice of E-Verify Participation
- b. Notice of Right to Work

2. The Employer agrees to provide to the SSA and DHS the names, titles, addresses, and telephone numbers of the Employer representatives to be contacted about E-Verify. The Employer also agrees to keep such information current by providing updated information to SSA and DHS whenever the representatives' contact information changes.

3. The Employer agrees to grant E-Verify access only to current employees who need E-Verify access. Employers must promptly terminate an employee's E-Verify access if the

employee is separated from the company or no longer needs access to E-Verify.

4. The Employer agrees to become familiar with and comply with the most recent version of the E-Verify User Manual.

5. The Employer agrees that any Employer Representative who will create E-Verify cases will complete the E-Verify Tutorial before that individual creates any cases.

a. The Employer agrees that all Employer representatives will take the refresher tutorials when prompted by E-Verify in order to continue using E-Verify. Failure to complete a refresher tutorial will prevent the Employer Representative from continued use of E-Verify.

6. The Employer agrees to comply with current Form 1-9 procedures, with two exceptions:

a. If an employee presents a "List B" identity document, the Employer agrees to only accept "List B" documents that contain a photo. (List B documents identified in 8 C.F.R. § 274a.2(b)(1)(B)) can be presented during the Form 1-9 process to establish identity.) If an employee objects to the photo requirement for religious reasons, the Employer should contact E-Verify at 888-464-4218.

b. If an employee presents a DHS Form 1-551 (Permanent Resident Card), Form 1-766 (Employment Authorization Document), or U.S. Passport or Passport Card to complete Form 1-9, the Employer agrees to make a photocopy of the document and to retain the photocopy with the employee's Form 1-9. The Employer will use the photocopy to verify the photo and to assist DHS with its review of photo mismatches that employees contest. DHS may in the future designate other documents that activate the photo screening tool.

Note: Subject only to the exceptions noted previously in this paragraph, employees still retain the right to present any List A, or List B and List C, document(s) to complete the Form 1-9.

7. The Employer agrees to record the case verification number on the employee's Form 1-9 or to print the screen containing the case verification number and attach it to the employee's Form 1-9.

8. The Employer agrees that, although it participates in E-Verify, the Employer has a responsibility to complete, retain, and make available for inspection Forms 1-9 that relate to its employees, or from other requirements of applicable regulations or laws, including the obligation to comply with the antidiscrimination requirements of section 274B of the INA with respect to Form 1-9 procedures.

a. The following modified requirements are the only exceptions to an Employer's obligation to not employ unauthorized workers and comply with the anti-discrimination provision of the INA: (1) List B identity documents must have photos, as described in paragraph 6 above; (2) When an Employer confirms the identity and employment eligibility of newly hired employee using E-Verify procedures, the Employer establishes a rebuttable presumption that it has not violated section 274A(a)(1)(A) of the Immigration and Nationality Act (INA) with respect to the hiring of that employee; (3) If the Employer receives a final nonconfirmation for an employee, but continues to employ that person, the Employer must notify DHS and the Employer is subject to a civil money penalty between \$550 and \$1,100 for each failure to notify OHS of continued employment

following a final nonconfirmation; (4) If the Employer continues to employ an employee after receiving a final nonconfirmation, then the Employer is subject to a rebuttable presumption that it has knowingly employed an unauthorized alien in violation of section 274A(a)(1)(A); and (5) no E-Verify participant is civilly or criminally liable under any law for any action taken in good faith based on information provided through the E-Verify.

b. DHS reserves the right to conduct Form 1-9 compliance inspections, as well as any other enforcement or compliance activity authorized by law, including site visits, to ensure proper use of E-Verify.

9. The Employer is strictly prohibited from creating an E-Verify case before the employee has been hired, meaning that a firm offer of employment was extended and accepted and Form 1-9 was completed. The Employer agrees to create an E-Verify case for new employees within three Employer business days after each employee has been hired (after both Sections 1 and 2 of Form 1-9 have been completed), and to complete as many steps of the E-Verify process as are necessary according to the E-Verify User Manual. If E-Verify is temporarily unavailable, the three-day time period will be extended until it is again operational in order to accommodate the Employer's attempting, in good faith, to make inquiries during the period of unavailability.

10. The Employer agrees not to use E-Verify for pre-employment screening of job applicants, in support of any unlawful employment practice, or for any other use that this MOU or the E-Verify User Manual does not authorize.

11. The Employer must use E-Verify for all new employees. The Employer will not verify selectively and will not verify employees hired before the effective date of this MOU. Employers who are Federal contractors may qualify for exceptions to this requirement as described in Article 11.6 of this MOU.

12. The Employer agrees to follow appropriate procedures (see Article III below) regarding tentative nonconfirmations. The Employer must promptly notify employees in private of the finding and provide them with the notice and letter containing information specific to the employee's E-Verify case. The Employer agrees to provide both the English and the translated notice and letter for employees with limited English proficiency to employees. The Employer agrees to provide written referral instructions to employees and instruct affected employees to bring the English copy of the letter to the SSA. The Employer must allow employees to contest the finding, and not take adverse action against employees if they choose to contest the finding, while their case is still pending. Further, when employees contest a tentative nonconfirmation based upon a photo mismatch, the Employer must take additional steps (see Article 11.8. below) to contact DHS with information necessary to resolve the challenge.

13. The Employer agrees not to take any adverse action against an employee based upon the employee's perceived employment eligibility status while SSA or DHS is processing the verification request unless the Employer obtains knowledge (as defined in 8 C.F.R. § 274a.1(l)) that the employee is not work authorized. The Employer understands that an initial inability of the SSA or DHS automated verification system to verify work authorization, a tentative nonconfirmation, a case in continuance (indicating the need for additional time for the government to resolve a case), or the finding of a photo mismatch, does not establish, and should not be interpreted as, evidence that the employee is not work authorized. In any of such cases, the employee must be provided a full and fair opportunity to contest the finding, and if he or she does so, the employee

may not be terminated or suffer any adverse employment consequences based upon the employee's perceived employment eligibility status (including denying, reducing, or extending work hours, delaying or preventing training, requiring an employee to work in poorer conditions, withholding pay, refusing to assign the employee to a Federal contract or other assignment, or otherwise assuming that he or she is unauthorized to work) until and unless secondary verification by SSA or DHS has been completed and a final nonconfirmation has been issued. If the employee does not choose to contest a tentative nonconfirmation or a photo mismatch or if a secondary verification is completed and a final nonconfirmation is issued, then the Employer can find the employee is not work authorized and terminate the employee's employment. Employers or employees with questions about a final nonconfirmation may call E-Verify at 1-888-464-4218 (customer service) or 1-888-897-7781 (worker hotline).

14. The Employer agrees to comply with Title VII of the Civil Rights Act of 1964 and section 274B of the INA as applicable by not discriminating unlawfully against any individual in hiring, firing, employment eligibility verification, or recruitment or referral practices because of his or her national origin or citizenship status, or by committing discriminatory documentary practices. The Employer understands that such illegal practices can include selective verification or use of E-Verify except as provided in part D below, or discharging or refusing to hire employees because they appear or sound "foreign" or have received tentative nonconfirmations. The Employer further understands that any violation of the immigration-related unfair employment practices provisions in section 274B of the INA could subject the Employer to civil penalties, back pay awards, and other sanctions, and violations of Title VII could subject the Employer to back pay awards, compensatory and punitive damages. Violations of either section 274B of the INA or Title VII may also lead to the termination of its participation in E-Verify. If the Employer has any questions relating to the anti-discrimination provision, it should contact the Immigrant and Employee Rights Section, Civil Rights Division, U.S. Department of Justice at 1-800-255-8155 or 1-800-237-2515 (TTY) or go to <https://www.justice.gov/ier>.

15. The Employer agrees that it will use the information it receives from E-Verify only to confirm the employment eligibility of employees as authorized by this MOU. The Employer agrees that it will safeguard this information, and means of access to it (such as PINS and passwords), to ensure that it is not used for any other purpose and as necessary to protect its confidentiality, including ensuring that it is not disseminated to any person other than employees of the Employer who are authorized to perform the Employers responsibilities under this MOU, except for such dissemination as may be authorized in advance by SSA or DHS for legitimate purposes.

16. The Employer agrees to notify DHS immediately in the event of a breach of personal information. Breaches are defined as loss of control or unauthorized access to E-Verify personal data. All suspected or confirmed breaches should be reported by calling 1-888-464-4218 or via email at E-Verifydhs.ciov. Please use "Privacy Incident — Password" in the subject line of your email when sending a breach report to E-Verify.

17. The Employer acknowledges that the information it receives from SSA is governed by the Privacy Act (5 U.S.C. § 552a(1)(1) and (3)) and the Social Security Act (42 U.S.C. 1306(a)). Any person who obtains this information under false pretenses or uses it for any purpose other than as provided for in this MOU may be subject to criminal penalties.

18. The Employer agrees to cooperate with DHS and SSA in their compliance monitoring and evaluation of E-Verify, which includes permitting OHS, SSA, their contractors and

other agents, upon reasonable notice, to review Forms 1-9 and other employment records and to interview it and its employees regarding the Employer's use of E-Verify, and to respond in a prompt and accurate manner to DHS requests for information relating to their participation in E-Verify.

19. The Employer shall not make any false or unauthorized claims or references about its participation in E-Verify on its website, in advertising materials, or other media. The Employer shall not describe its services as federally-approved, federally-certified, or federally-recognized, or use language with a similar intent on its website or other materials provided to the public. Entering into this MOU does not mean that E-Verify endorses or authorizes your E-Verify services and any claim to that effect is false.

20. The Employer shall not state in its website or other public documents that any language used therein has been provided or approved by DHS, USCIS or the Verification Division, without first obtaining the prior written consent of DHS.

21. The Employer agrees that E-Verify trademarks and logos may be used only under license by DHS/USCIS (see M-795 (Web)) and, other than pursuant to the specific terms of such license, may not be used in any manner that might imply that the Employer's services, products, websites, or publications are sponsored by, endorsed by, licensed by, or affiliated with DHS, USCIS, or E-Verify.

22. The Employer understands that if it uses E-Verify procedures for any purpose other than as authorized by this MOU, the Employer may be subject to appropriate legal action and termination of its participation in E-Verify according to this MOU.

B. RESPONSIBILITIES OF FEDERAL CONTRACTORS

1. If the Employer is a Federal contractor with the FAR E-Verify clause subject to the employment verification terms in Subpart 22.18 of the FAR, it will become familiar with and comply with the most current version of the E-Verify User Manual for Federal Contractors as well as the E-Verify Supplemental Guide for Federal Contractors.

2. In addition to the responsibilities of every employer outlined in this MOU, the Employer understands that if it is a Federal contractor subject to the employment verification terms in Subpart 22.18 of the FAR it must verify the employment eligibility of any "employee assigned to the contract" (as defined in FAR 22.1801). Once an employee has been verified through E-Verify by the Employer, the Employer may not create a second case for the employee through E-Verify.

a. An Employer that is not enrolled in E-Verify as a Federal contractor at the time of a contract award must enroll as a Federal contractor in the E-Verify program within 30 calendar days of contract award and, within 90 days of enrollment, begin to verify employment eligibility of new hires using E-Verify. The Employer must verify those employees who are working in the United States, whether or not they are assigned to the contract. Once the Employer begins verifying new hires, such verification of new hires must be initiated within three business days after the hire date. Once enrolled in E-Verify as a Federal contractor, the Employer must begin verification of employees assigned to the contract within 90 calendar days after the date of enrollment or within 30 days of an employee's assignment to the contract, whichever date is later.

b. Employers enrolled in E-Verify as a Federal contractor for 90 days or more at the time of a contract award must use E-Verify to begin verification of employment

eligibility for new hires of the Employer who are working in the United States, whether or not assigned to the contract, within three business days after the date of hire. If the Employer is enrolled in E-Verify as a Federal contractor for 90 calendar days or less at the time of contract award, the Employer must, within 90 days of enrollment, begin to use E-Verify to initiate verification of new hires of the contractor who are working in the United States, whether or not assigned to the contract. Such verification of new hires must be initiated within three business days after the date of hire. An Employer enrolled as a Federal contractor in E-Verify must begin verification of each employee assigned to the contract within 90 calendar days after date of contract award or within 30 days after assignment to the contract, whichever is later.

- c. Federal contractors that are institutions of higher education (as defined at 20 U.S.C. 1001(a)), state or local governments, governments of Federally recognized Indian tribes, or sureties performing under a takeover agreement entered into with a Federal agency under a performance bond may choose to only verify new and existing employees assigned to the Federal contract. Such Federal contractors may, however, elect to verify all new hires, and/or all existing employees hired after November 6, 1986. Employers in this category must begin verification of employees assigned to the contract within 90 calendar days after the date of enrollment or within 30 days of an employee's assignment to the contract, whichever date is later.
- d. Upon enrollment, Employers who are Federal contractors may elect to verify employment eligibility of all existing employees working in the United States who were hired after November 6, 1986, instead of verifying only those employees assigned to a covered Federal contract. After enrollment, Employers must elect to verify existing staff following DHS procedures and begin E-Verify verification of all existing employees within 180 days after the election.
- e. The Employer may use a previously completed Form 1-9 as the basis for creating an E-Verify case for an employee assigned to a contract as long as:
 - i. That Form 1-9 is complete (including the SSN) and complies with Article II.A.6,
 - ii. The employee's work authorization has not expired, and
 - iii. The Employer has reviewed the Form 1-9 information either in person or in communications with the employee to ensure that the employee's Section 1, Form 1-9 attestation has not changed (including, but not limited to, a lawful permanent resident alien having become a naturalized U.S. citizen).
- f. The Employer shall complete a new Form 1-9 consistent with Article H.A.6 or update the previous Form 1-9 to provide the necessary information if:
 - i. The Employer cannot determine that Form 1-9 complies with Article II.A.6, H.
 - ii. The employee's basis for work authorization as attested in Section 1 has expired or changed, or
 - iii. The Form 1-9 contains no SSN or is otherwise incomplete.

Note: If Section 1 of Form 1-9 is otherwise valid and up-to-date and the form otherwise complies with Article 11.C.5, but reflects documentation (such as a U.S. passport or Form 1-551) that expired after completing Form 1-9, the Employer shall

not require the production of additional documentation, or use the photo screening tool described in Article II.A.5, subject to any additional or superseding instructions that may be provided on this subject in the E-Verify User Manual.

g. The Employer agrees not to require a second verification using E-Verify of any assigned employee who has previously been verified as a newly hired employee under this MOU or to authorize verification of any existing employee by any Employer that is not a Federal contractor based on this Article.

3. The Employer understands that if it is a Federal contractor, its compliance with this MOU is a performance requirement under the terms of the Federal contract or subcontract, and the Employer consents to the release of information relating to compliance with its verification responsibilities under this MOU to contracting officers or other officials authorized to review the Employer's compliance with Federal contracting requirements.

C. RESPONSIBILITIES OF SSA

1. SSA agrees to allow DHS to compare data provided by the Employer against SSA's database. SSA sends DHS confirmation that the data sent either matches or does not match the information in SSA's database.

2. SSA agrees to safeguard the information the Employer provides through E-Verify procedures. SSA also agrees to limit access to such information, as is appropriate by law, to individuals responsible for the verification of Social Security numbers or responsible for evaluation of E-Verify or such other persons or entities who may be authorized by SSA as governed by the Privacy Act (5 U.S.C. § 552a), the Social Security Act (42 U.S.C. 1306(a)), and SSA regulations (20 CFR Part 401).

3. SSA agrees to provide case results from its database within three Federal Government work days of the initial inquiry. E-Verify provides the information to the Employer.

4. SSA agrees to update SSA records as necessary if the employee who contests the SSA tentative nonconfirmation visits an SSA field office and provides the required evidence. If the employee visits an SSA field office within the eight Federal Government work days from the date of referral to SSA, SSA agrees to update SSA records, if appropriate, within the eight-day period unless SSA determines that more than eight days may be necessary. In such cases, SSA will provide additional instructions to the employee. If the employee does not visit SSA in the time allowed, E-Verify may provide a final nonconfirmation to the employer.

Note: If an Employer experiences technical problems, or has a policy question, the employer should contact E-Verify at 1-888-464-4218.

D. RESPONSIBILITIES OF DHS

1. DHS agrees to provide the Employer with selected data from DHS databases to enable the Employer to conduct, to the extent authorized by this MOU:

- a. Automated verification checks on alien employees by electronic means, and
- b. Photo verification checks (when available) on employees.

- 2.DHS agrees to assist the Employer with operational problems associated with the Employer's participation in E-Verify. DHS agrees to provide the Employer names, titles, addresses, and telephone numbers of DHS representatives to be contacted during the E-Verify process.
- 3.DHS agrees to provide to the Employer with access to E-Verify training materials as well as an E-Verify User Manual that contain instructions on E-Verify policies, procedures, and requirements for both SSA and DHS, including restrictions on the use of E-Verify.
- 4.DHS agrees to train Employers on all important changes made to E-Verify through the use of mandatory refresher tutorials and updates to the E-Verify User Manual. Even without changes to E-Verify, DHS reserves the right to require employers to take mandatory refresher tutorials.
- 5.DHS agrees to provide to the Employer a notice, which indicates the Employer's participation in E-Verify. DHS also agrees to provide to the Employer anti-discrimination notices issued by the Immigrant and Employee Rights Section, Civil Rights Division, U.S. Department of Justice.
- 6.OHS agrees to issue each of the Employer's E-Verify users a unique user identification number and password that permits them to log in to E-Verify.
- 7.OHS agrees to safeguard the information the Employer provides, and to limit access to such information to individuals responsible for the verification process, for evaluation of E-Verify, or to such other persons or entities as may be authorized by applicable law. Information will be used only to verify the accuracy of Social Security numbers and employment eligibility, to enforce the INA and Federal criminal laws, and to administer Federal contracting requirements.
- 8.DHS agrees to provide a means of automated verification that provides (in conjunction with SSA verification procedures) confirmation or tentative nonconfirmation of employees' employment eligibility within three Federal Government work days of the initial inquiry.
- 9.DHS agrees to provide a means of secondary verification (including updating DHS records) for employees who contest DHS tentative nonconfirmations and photo mismatch tentative nonconfirmations. This provides final confirmation or nonconfirmation of the employees' employment eligibility within 10 Federal Government work days of the date of referral to DHS, unless OHS determines that more than 10 days may be necessary. In such cases, OHS will provide additional verification instructions.

ARTICLE III REFERRAL OF INDIVIDUALS TO SSA AND DHS

A. REFERRAL TO SSA

1. If the Employer receives a tentative nonconfirmation issued by SSA, the Employer must print the notice as directed by E-Verify. The Employer must promptly notify employees in private of the finding and provide them with the notice and letter containing information specific to the employee's E-Verify case. The Employer also agrees to provide both the English and the translated notice and letter for employees with limited English proficiency to employees. The Employer agrees to provide written referral instructions to employees and instruct affected employees to bring the English copy of

the letter to the SSA. The Employer must allow employees to contest the finding, and not take adverse action against employees if they choose to contest the finding, while their case is still pending.

2. The Employer agrees to obtain the employee's response about whether he or she will contest the tentative nonconfirmation as soon as possible after the Employer receives the tentative nonconfirmation. Only the employee may determine whether he or she will contest the tentative nonconfirmation.

3. After a tentative nonconfirmation, the Employer will refer employees to SSA field offices only as directed by E-Verify. The Employer must record the case verification number, review the employee information submitted to E-Verify to identify any errors, and find out whether the employee contests the tentative nonconfirmation. The Employer will transmit the Social Security number, or any other corrected employee information that SSA requests, to SSA for verification again if this review indicates a need to do so.

4. The Employer will instruct the employee to visit an SSA office within eight Federal Government work days. SSA will electronically transmit the result of the referral to the Employer within 10 Federal Government work days of the referral unless it determines that more than 10 days is necessary.

5. While waiting for case results, the Employer agrees to check the E-Verify system regularly for case updates.

6. The Employer agrees not to ask the employee to obtain a printout from the Social Security Administration number database (the Numident) or other written verification of the SSN from the SSA.

B. REFERRAL TO DHS

1. If the Employer receives a tentative nonconfirmation issued by DHS, the Employer must promptly notify employees in private of the finding and provide them with the notice and letter containing information specific to the employee's E-Verify case. The Employer also agrees to provide both the English and the translated notice and letter for employees with limited English proficiency to employees. The Employer must allow employees to contest the finding, and not take adverse action against employees if they choose to contest the finding, while their case is still pending.

2. The Employer agrees to obtain the employee's response about whether he or she will contest the tentative nonconfirmation as soon as possible after the Employer receives the tentative nonconfirmation. Only the employee may determine whether he or she will contest the tentative nonconfirmation.

3. The Employer agrees to refer individuals to DHS only when the employee chooses to contest a tentative nonconfirmation.

4. If the employee contests a tentative nonconfirmation issued by DHS, the Employer will instruct the employee to contact DHS through its toll-free hotline (as found on the referral letter) within eight Federal Government work days.

5. If the Employer finds a photo mismatch, the Employer must provide the photo mismatch tentative nonconfirmation notice and follow the instructions outlined in paragraph 1 of this section for tentative nonconfirmations, generally.

6. The Employer agrees that if an employee contests a tentative nonconfirmation based upon a photo mismatch, the Employer will send a copy of the employee's Form 1-551, Form 1-766, U.S. Passport, or passport card to DHS for review by:

- a. Scanning and uploading the document, or
- b. Sending a photocopy of the document by express mail (furnished and paid for by the employer).

7. The Employer understands that if it cannot determine whether there is a photo match/mismatch, the Employer must forward the employee's documentation to DHS as described in the preceding paragraph. The Employer agrees to resolve the case as specified by the DHS representative who will determine the photo match or mismatch.

8. DHS will electronically transmit the result of the referral to the Employer within 10 Federal Government work days of the referral unless it determines that more than 10 days is necessary.

9. While waiting for case results, the Employer agrees to check the E-Verify system regularly for case updates.

ARTICLE IV SERVICE PROVISIONS

A. NO SERVICE FEES

1. SSA and DHS will not charge the Employer for verification services performed under this MOU. The Employer is responsible for providing equipment needed to make inquiries. To access E-Verify, an Employer will need a personal computer with Internet access.

ARTICLE V MODIFICATION AND TERMINATION

A. MODIFICATION

1. This MOU is effective upon the signature of all parties and shall continue in effect for as long as the SSA and OHS operates the E-Verify program unless modified in writing by the mutual consent of all parties.

2. Any and all E-Verify system enhancements by DHS or SSA, including but not limited to E-Verify checking against additional data sources and instituting new verification policies or procedures, will be covered under this MOU and will not cause the need for a supplemental MOU that outlines these changes.

B. TERMINATION

1. The Employer may terminate this MOU and its participation in E-Verify at any time upon 30 days prior written notice to the other parties.

2. Notwithstanding Article V, part A of this MOU, OHS may terminate this MOU, and thereby the Employer's participation in E-Verify, with or without notice at any time if deemed necessary because of the requirements of law or policy, or upon a determination by SSA or OHS that there has been a breach of system integrity or security by the Employer, or a failure on the part of the Employer to comply with established E-Verify procedures and/or legal requirements. The Employer understands that if it is a Federal contractor, termination of this MOU by any party for any reason may negatively affect the

performance of its contractual responsibilities. Similarly, the Employer understands that if it is in a state where E-Verify is mandatory, termination of this by any party MOU may negatively affect the Employer's business.

3. An Employer that is a Federal contractor may terminate this MOU when the Federal contract that requires its participation in E-Verify is terminated or completed. In such cases, the Federal contractor must provide written notice to DHS. If an Employer that is a Federal contractor fails to provide such notice, then that Employer will remain an E-Verify participant, will remain bound by the terms of this MOU that apply to non-Federal contractor participants, and will be required to use the E-Verify procedures to verify the employment eligibility of all newly hired employees.

4. The Employer agrees that E-Verify is not liable for any losses, financial or otherwise, if the Employer is terminated from E-Verify.

ARTICLE VI PARTIES

A. Some or all SSA and DHS responsibilities under this MOU may be performed by contractor(s), and SSA and DHS may adjust verification responsibilities between each other as necessary. By separate agreement with DHS, SSA has agreed to perform its responsibilities as described in this MOU.

B. Nothing in this MOU is intended, or should be construed, to create any right or benefit, substantive or procedural, enforceable at law by any third party against the United States, its agencies, officers, or employees, or against the Employer, its agents, officers, or employees.

C. The Employer may not assign, directly or indirectly, whether by operation of law, change of control or merger, all or any part of its rights or obligations under this MOU without the prior written consent of DHS, which consent shall not be unreasonably withheld or delayed. Any attempt to sublicense, assign, or transfer any of the rights, duties, or obligations herein is void.

D. Each party shall be solely responsible for defending any claim or action against it arising out of or related to E-Verify or this MOU, whether civil or criminal, and for any liability wherefrom, including (but not limited to) any dispute between the Employer and any other person or entity regarding the applicability of Section 403(d) of IIRIRA to any action taken or allegedly taken by the Employer.

E. The Employer understands that its participation in E-Verify is not confidential information and may be disclosed as authorized or required by law and DHS or SSA policy, including but not limited to, Congressional oversight, E-Verify publicity and media inquiries, determinations of compliance with Federal contractual requirements, and responses to inquiries under the Freedom of Information Act (FOIA).

F. The individuals whose signatures appear below represent that they are authorized to enter into this MOU on behalf of the Employer and DHS respectively. The Employer understands that any inaccurate statement, representation, data or other information provided to DHS may subject the Employer, its subcontractors, its employees, or its representatives to: (1) prosecution for false statements pursuant to 18 U.S.C. 1001 and/or; (2) immediate termination of its MOU and/or; (3) possible debarment or suspension.

G. The foregoing constitutes the full agreement on this subject between DHS and the

Employer.

To be accepted as an E-Verify participant, you should only sign the Employer's Section of the signature page. If you have any questions, contact E-Verify at 1-888464-4218.

Approved by:

E-Verify Employer	
Name (Please Type or Print)	Title
Signature	Date
Department of Homeland Security — Verification Division	
Name (Please Type or Print)	Title
Signature	Date

Information Required for E-Verify	
Information relating to your Company:	
Company Name:	
Company Facility Address:	
Company Alternate Address:	
County or Parish:	

Eleventh Order of Business

11A.

RESOLUTION 2021-04

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE QUARRY COMMUNITY DEVELOPMENT DISTRICT RATIFYING, CONFIRMING, AND APPROVING THE ISSUANCE OF QUARRY COMMUNITY DEVELOPMENT DISTRICT SPECIAL ASSESSMENT REFUNDING BONDS, SERIES 2020; RATIFYING, CONFIRMING, AND APPROVING THE ACTIONS OF THE CHAIRMAN, VICE CHAIRMAN, TREASURER, SECRETARY, ASSISTANT SECRETARIES, AND ALL DISTRICT STAFF REGARDING THE ISSUANCE OF THE QUARRY COMMUNITY DEVELOPMENT DISTRICT SPECIAL ASSESSMENT REFUNDING BONDS, SERIES 2020; AND DETERMINING SUCH ACTIONS AS BEING IN ACCORDANCE WITH THE AUTHORIZATION GRANTED BY THE BOARD; PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Quarry Community Development District (the “District”) is a local unit of special-purpose government created and existing pursuant to Chapter 190, Florida Statutes; and

WHEREAS, the District previously adopted resolutions authorizing the issuance of \$18,110,000 Quarry Community Development District Special Assessment Refunding Bonds, Series 2020 (the “Series 2020 Bonds”); and

WHEREAS, the District has closed on the issuance of the Series 2020 Bonds; and

WHEREAS, as prerequisites to the issuance of the Series 2020 Bonds, the Chairman, Secretary, and District Staff including the District Manager, District Financial Advisor, District Engineer and District Counsel were required to execute and deliver various documents (the “Closing Documents”); and

WHEREAS, the District desires to ratify, confirm, and approve all actions of the District Chairman, Secretary, and District Staff in closing of the Series 2020 Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE QUARRY COMMUNITY DEVELOPMENT DISTRICT:

SECTION 1. The issuance of the Series 2020 Bonds is in the best interests of the District.

SECTION 2. The issuance of the Series 2020 Bonds, the adoption of resolutions relating to such bonds, and all actions taken in the furtherance of the issuance on such bonds, are hereby declared and affirmed as being in the best interests of the District and are hereby ratified, approved, and confirmed.

SECTION 3. The actions of the Chairman, Secretary, and all District Staff in finalizing the closing and issuance of the Series 2020 Bonds, including the execution and delivery of the Closing Documents as listed on **Exhibit A** attached hereto, and all documents and certifications to effectuate the issuance of the Series 2020 Bonds, are determined to be in accordance with the prior authorizations of the Board and are hereby ratified, approved, and confirmed in all respects.

SECTION 4. If any provision of this Resolution is held to be illegal or invalid, the other provisions shall remain in full force and effect.

SECTION 5. This Resolution shall become effective upon its passage and shall remain in effect unless rescinded or repealed.

PASSED AND ADOPTED this ____ day of _____, 2021.

ATTEST:

**QUARRY COMMUNITY DEVELOPMENT
DISTRICT**

Secretary

By: _____
Its: _____

Exhibit A: Closing Documents List

Exhibit A

QUARRY COMMUNITY DEVELOPMENT DISTRICT (Collier County, Florida)

\$18,110,000

SPECIAL ASSESSMENT REFUNDING BOND, SERIES 2020 (the "2020 Bond")

Closing Document List

The closing of the above bond issue was held on December 21, 2020. At the closing the following documents were delivered:

1. Master Trust Indenture, dated as of December 1, 2020, between Quarry Community Development District, (the "District") and U.S. Bank National Association, as trustee (the "Trustee").
2. First Supplemental Trust Indenture dated as of December 1, 2020, between the District and the Trustee.
3. Copy of Ordinance No. 04-53, enacted by the Board of County Commissioners of Collier County, Florida on July 27, 2004, establishing the District.
4. Certified copies of the following Assessment Resolutions, without exhibits:
 - (a) Resolution No. 2015-05, adopted August 14, 2015;
 - (b) Resolution No. 2015-06, adopted August 14, 2015;
 - (c) Resolution No. 2015-08, adopted October 9, 2015;
 - (d) Resolution No. 2018-08, adopted April 17, 2018;
 - (e) Resolution No. 2018-09, adopted April 17, 2018;
 - (f) Resolution No. 2018-12, adopted May 21, 2018;
 - (g) Resolution No. 2019-02, adopted April 16, 2019;
 - (h) Resolution No. 2019-03, adopted April 16, 2019;
 - (i) Resolution No. 2019-05, adopted May 22, 2019; and
 - (j) Resolution No. 2021-03, adopted December 14, 2020.
5. Certified copies of the following Bond Resolutions, without exhibits:
 - (a) Resolution No. 2004-15, adopted September 21, 2004;
 - (b) Resolution No. 2015-10, adopted October 9, 2015;
 - (c) Resolution No. 2018-11, adopted May 3, 2018;
 - (d) Resolution No. 2019-07, adopted May 22, 2019; and
 - (a) Resolution No. 2021-02, adopted December 14, 2020.
6. Specimen 2020 Bond.
7. Cross Receipt.
8. Request and Authorization for Authentication and Delivery of the 2020 Bond.

9. General and Closing Certificate of District.
10. Federal Tax Certificate.
11. Certificate of the Trustee, Paying Agent, and Registrar as to Certain Matters.
12. Certificate of Trustee as to Application of Bond Proceeds and Other Moneys.
13. Direction Letter to Hancock Bank, a trade name of Whitney Bank, as Trustee with respect to the Series 2019 Bonds.
14. Approving Opinion of Bryant Miller Olive P.A., Bond Counsel.
15. Reliance Letter.
16. Opinion of Hopping Green & Sams, P.A., Counsel to the District.
17. Opinion of Holland & Knight LLP, Counsel to the Trustee.
18. Lender's Certificate.
19. Disclosure and Truth-in-Bonding Statement required under Section 218.385, Florida Statutes.
20. Certificate of Assessment Consultant.
21. Supplemental Assessment Allocation Report.
22. Internal Revenue Service Form 8038-G with Letter of Transmittal.
23. Notice to Division of Bond Finance as to Sale of 2020 Bond.
24. Division of Bond Finance Forms BF 2003 and BF 2004A and B.
25. Bond Sizing Report.
26. Closing Memorandum.
27. Commitment Letter.
28. Notice of Series 2020 Special Assessments and Government Lien of Record.
29. Notice of Prepayment to 2015 Bondholder, 2018 Bondholder and 2019 Bondholder and Acceptance.
30. Payoff Letters from 2015 Bondholder, 2018 Bondholder and 2019 Bondholder.
31. Acknowledgment of Payment and Satisfaction of Series 2015 Bonds and Series 2019 Bonds.
32. Acknowledgment of Payment and Satisfaction of Series 2018 Bonds.

Twelfth Order of Business

12Ai

**QUARRY COMMUNITY DEVELOPMENT DISTRICT
CHAIRMAN'S ACTIVITY REPORT SINCE LAST MEETING
FOR JANUARY 18, 2021 MEETING**

- 1. FEMA Update:**
 - a. We still need to submit requested documentation sought by FEMA**
- 2. Resident issues:**
 - a. Inquiries on the new tax bill from homeowners continue to occur**
 - b. Inquiries on weeds in lake**
- 3. Review and process invoices through AVID**
- 4. Quarry Golf Club and Assessment methodology**
 - a. Ongoing discussions and coordinate with Golf Club a site meeting with CDD members..**
- 5. Prepare Winter 2021 Community Update**

Stanley T. Omland. PE, PP, CME, LEED AP

01.10.21

12Aii.

Quarry Community Development District

Lake and Preserve update since last meeting in December

Rodney Whisman QGC, Will Elliott and Concho of CES, and William Flister QCDD met today at the Beach Club to discuss the preserve maintenance program which will begin January 1, 2021. Concho (Contact number 239-253-1769) is the foreman for the project. Later Concho and William Flister toured the preserves.

In the Field Study Report dated February 2020, CPH identified a mimosa tree in conservation area one (1) growing within the perimeter along hole number four and recommended removal at some point in 2021. As it is not a native tree, CES will address. Concho will coordinate pepper tree treatment along the perimeter of Heritage with Justin after the first of the year. Identified pepper trees growing along the canal on the western border of conservation area one (1) that will need to be cut in place and treated along with others growing offsite in the golf course property adjacent to the tee box to hole number nine. Soda apple vines were identified growing in the perimeter at the southwestern corner of conservation area one (1) along with several pepper trees offsite in the golf course behind the tee box of hole number seven. The vines will be treated with herbicide in the regular course of maintenance. Treatment of vegetation along the fence line in conservation area two (2) will commence in January in the normal course of quarterly maintenance. Later in the year, willow removal from parts of conservation area two (2) primarily along the fence line will be coordinated with the QGC. Contractor will utilize access to the northern boundary either via the berm along the canal or Collier access road for maintenance.

Offsite vegetation along the Collier access road up to the Quarry Association property line contains mature pepper and scattered melaleuca trees. This runs from the fence line down past Coquina Circle as highlighted in the field study report. As a category one exotic, arranging removal is recommended.

The two pepper trees identified in Conservation area three (3) near the circle in Ironstone are scheduled for removal in January 2021. The level 2 area identified in conservation area three (3) behind the homes on Marble Stone by CPH includes exotic weed in addition to the Willow and Hempvine identified in the field study report. The offsite property along the eastern shore line of pond number 47 has mature pepper trees and willow growing along the length of the shoreline.

Conservation area four (4) vegetation will be treated in the normal course of maintenance.

Photos, GPS locations will be included in quarterly reports for work completed other than perimeter treatments. See field study report for specified maintenance priority maps discussed pages 27, 30, & 31.

The section of property to the left of the word culvert at the bottom just outside the preserve boundary line contains several pepper trees. Clearly on Golf Course property and need to be removed. They are mature trees estimated to be over five years old.

The area at the bottom left side in blue contains pepper, melaleuca trees which need to be removed. They appear to be primarily within the Collier County access road easement up to the boundary line with the Quarry Community. The HOA should contact the County for removal. Discussed this with the HOA board years ago but no follow-up.

In the top map, the strip of property running just below the Conservation Area Boundary (highlighted in yellow) along pond number 47 contain pepper and Carolina Willow for the entire length. As it is not identified as QCDD property, we will need to determine responsibility for removal.

Maps are from the CPH Field Study Report dated Feb. 2020 pages 27, 30 and 31.

A buoy was retrieved from the Granite Canal and deposited at the Beach Club Marina this past week. Upon examination, the O ring on the bottom of the buoy was completely corroded similar to others that had broken loose over the past few years. There are twenty seven (27) buoys located within Stone Lake of which six (6) were replaced by the HOA last year and two (2) received new labels. There are three (3) additional buoys at the entrance to Boulder from Spinner that also received new labels last year and one a new anchor line and another two (2) in the Coastline canal. Finally, two (2) buoys are located under the Heritage Bridge for a total of thirty four(34). Corrosion to the anchor lines and the buoys limits the useful life to approximately ten years which has been exceeded. J& M Boatlifts installed six (6) buoys for the HOA for approximately \$500 each last year prior to the transfer of the lakes and ponds to the QCDD.

CES will be cutting IPW along the South Shore Estates the first week of January after clearing the East and West Canals. Our western end of Boulder is scheduled for the second week of January before moving over to the North Shore. Herbicide treatments are also scheduled within this time frame.