



September 24, 2018

Ms. Kathleen Dailey  
The Quarry CDD c/o Special District Services, Inc.  
27499 Riverview Center Blvd., #253  
Bonita Springs, Fl. 34134

**RE: Quarry CDD Special Assessment Bonds, Master Trust  
Indenture Annual Consulting Engineer's Report**

Dear Ms. Dailey,

The terms and conditions in the Quarry Master Trust Indenture dated November 18th 2004 specify that the consulting engineer is to conduct an annual inspection and report his findings to the Board as to whether such portions of the Project owned by the Issuer have been properly maintained in good condition and in working order. As the Consulting Engineer to the Quarry CDD, I, Josh R. Evans, P.E., find that the Project was substantially damaged in Hurricane Irma to include erosion and/or complete destruction of the lake banks. A repair plan has been established and a large portion of the work has been funded and constructed and a second phase project to complete the repairs will be completed next year. The Quarry CDD is currently evaluating options for funding the remaining repair project.

The Consulting Engineer is also required to make recommendations as to the insurance to be carried per Section 9.14 of the Master Trust Indenture. The Quarry CDD currently owns and maintains wetland systems associated with the development. This type of infrastructure is considered an earthen facility and is not insurable. The Quarry CDD currently does not own any insurable elements of the project. The operation and maintenance of this facility is included in the approved budget. In previous CDD meetings, proper and best management practices, as defined by the Florida Department of Environmental Protection, have been discussed and the necessary funds have been incorporated in the 2017-2018 Budget in order to facilitate these practices.

Furthermore, JR Evans Engineering has reviewed the District's liability and property damage insurance policy provided by Florida Municipal Insurance Trust under Agreement No. FMIT1127 for the period October 1<sup>st</sup>, 2017 and October 1<sup>st</sup>, 2018. The district has budgeted sufficient funds to cover the insurance premium.

Please contact our office should you have any questions or require additional information.

Sincerely,

A handwritten signature in blue ink that reads 'Josh R. Evans'.

Josh R. Evans, P.E.

**J.R. EVANS ENGINEERING**

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