

**MINUTES OF MEETING
EAST PARK COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the East Park Community Development District was held at 5:00 P.M. on Monday, July 29, 2013 at the offices of Leland Management, 6972 Lake Gloria Blvd., Orlando, Florida.

Present and constituting a quorum were:

Donn Rinehart	Vice Chairman
Graciela Von Blon	Assistant Secretary
Joshua Alexander	Assistant Secretary
Edwin Sharpe	Assistant Secretary

Also present were:

Gary Moyer	Manager: Moyer Management Group
Roy Van Wyk	Attorney: Hopping Green & Sams
Richard Dunn	Engineer
Brian Smith	Severn Trent Services
Brett Sealy	MBS Capital Markets, LLC.

The following is a summary of the minutes and actions taken at the July 29, 2013 East Park Board of Supervisors meeting.

FIRST ORDER OF BUSINESS

Roll Call

Mr. Moyer called the meeting to order at 5:00 P.M. and stated all Supervisors were in attendance with the exception of Mr. Colon.

MBS Capital Markets Presentation

Mr. Brett Sealy from MBS Capital Markets, LLC. made the following presentation regarding re-financing of the bonds:

- The last presentation was made in March, during the sale of the Village Center property.
- Since then, the Village Center property was settled and MBS was able to obtain an investment grade rating of BBB+ from Standard and Poors on a portion of the bonds.

- Approximately 32% of the assessments is for currently undeveloped property on Parcel N2. There is also developed property on Parcel N4, which will have 69 townhome units.
- They based their rating on 70% vertical and 30% undeveloped. By doing this, a portion of the bonds will receive a rating.
- By blending the interest rate between the rated and non-rated component, they hope to generate a sufficient amount of savings.
- Since March, interest rates have increased dramatically. For a 20 year refinancing, the interest rate is 3.93% versus 4.23% for a 30 year refinancing.
- The refinancing would commence the first week of September when they would close on \$4,520,000 worth of bonds outstanding at an interest rate of 6.25%. It will take 45 days from start to finish. The cost of issuance is \$130,000.

The Board asked the following questions:

- *What is included in the cost of issuance?*
 - It includes involvement by the CDD Attorney and Bond Counsel to render opinions and draft documents, Severn Trent Services to provide a Special Assessment Methodology and Underwriter.
- *Do you estimate the residents saving at least \$40,000?*
 - We are estimating a \$40,000 reduction in total, which would be distributed based on product type.
- *What is the product type formula based on?*
 - It is based on a greater number of units to be developed and conversations with DR Horton.
- *What is the savings for an A rating?*
 - There is a 40 basis point differential between a BBB+ rating and a clean A rating.
- *What is the unrated coupon?*
 - We rated the non-rated piece at 6.25% based on today's yields.
- *Can you sell the unrated bonds under the current coupon of 6.85% with no call protection?*
 - There is a standard ten year call. We are under 6.85%.

- Discussion ensued regarding the number of units in N4 and why there was a decrease from 78 to 69 units. If there was a reduction in units, the developer was required to pay off the remaining difference.
- The Board requested a disclosure of cost of issuance fees and recalculation of the annual debt service to reflect the actual number of units in N4.
- Mr. Moyer suggested selling the subordinate bonds without any call protection and reallocating those to the vacant property. Mr. Sealy indicated they could do this, but preferred to split the security.
- The Board discussed the pros and cons of refinancing at this time. *There was consensus from the Board to have Mr. Sealy monitor the interest rates and come back to the Board if there was a positive change.*

SECOND ORDER OF BUSINESS

Approval of the Minutes of the May 20, 2013 Meeting

Mr. Moyer stated each Board member received a copy of the minutes of the May 20, 2013 meeting and requested any corrections, additions or deletions.

There not being any,

On MOTION by Ms. Von Blon seconded by Mr. Rinehart with all in favor, the minutes of the May 20, 2013 meeting were approved.

THIRD ORDER OF BUSINESS

Public Hearing to Adopt Fiscal year 2014 Budget

A. Fiscal Year 2014 Budget

Mr. Moyer discussed the Fiscal Year 2014 budget:

- This meeting was advertised as a public hearing for the purpose of adopting the budget.
- The fiscal year runs from October 1 to September 30.
- The proposed budget does not increase any non ad-valorem assessments.
- There was a slight increase in General Liability Insurance.

Mr. Moyer opened the public hearing.

Hearing no public comment, the public hearing was closed.

B. Consideration of Resolution 2013-07 Adopting the Budget

Mr. Moyer read the following resolution into the record:

“RESOLUTION 2013-07: A RESOLUTION OF THE EAST PARK COMMUNITY DEVELOPMENT DISTRICT RELATING TO THE ANNUAL APPROPRIATIONS OF THE DISTRICT AND ADOPTING THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2013, AND ENDING SEPTEMBER 30, 2014, AND REFERENCING THE MAINTENANCE AND BENEFIT SPECIAL ASSESSMENTS TO BE LEVIED BY THE DISTRICT FOR SAID FISCAL YEAR”

There being no questions or comments,

On MOTION by Mr. Alexander seconded by Ms. Von Blon with all in favor Resolution 2013-07 as stated above was adopted.

C. Consideration of Resolution 2013-08 Levying the Assessments

Mr. Moyer read the following resolution into the record:

“RESOLUTION 2013-08: A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE EAST PARK COMMUNITY DEVELOPMENT DISTRICT IMPOSING SPECIAL ASSESSMENTS AND CERTIFYING AN ASSESSMENT ROLL; PROVIDING FOR THE AMENDMENT OF THE ASSESSMENT ROLL; PROVIDING FOR THE COLLECTION OF ASSESSMENTS; PROVIDING; A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE”

Mr. Van Wyk explained the findings as stated in the Resolution.

There being no questions or comments,

On MOTION by Mr. Alexander seconded by Ms. Von Blon with all in favor Resolution 2013-08 as stated above was adopted.

FOURTH ORDER OF BUSINESS

Review of Park and Playground Equipment Plan

Mr. Sharpe reported the City of Orlando Parks and Recreation Department approved a new playground and were willing to pay for the majority of the work. He suggested the CDD contribute \$15,000.

On MOTION by Mr. Sharpe seconded by Mr. Rinehart with all in favor the District will contribute \$15,000 towards the new playground.

FIFTH ORDER OF BUSINESS

**Acceptance of Audit for the Fiscal Year
Ended September 30, 2012**

Mr. Moyer distributed a copy of the Audit prepared by Grau & Associates for the fiscal year ended September 30, 2012 and noted the following:

- In the Independent Auditor's Report, the Auditor provided a clean audit opinion, meaning the records staff provided to the Auditor fairly represented the District's financial position.
- In the Report on Internal Control over Financial Reporting and on Compliance and Other Matters, the Auditor indicated there were sufficient checks and balances to safeguard the District's financial assets and the way they were accounted for.
- Under Compliance and Other Matters, the Auditor indicated the District was in compliance with Laws, Rules, Ordinances, Contracts and Trust Indentures. However, the Village Center II foreclosure and non-payment of assessments were reported in the Management Letter, which staff responded to.
- The Auditor found the District has not met one or more of the financial emergency conditions described under Section 218.503(1) of the Financial Statutes.
- The Audit was sent to the State as the deadline was June 30, 2013.

The following was addressed:

- Mr. Van Wyk indicated the District Accountant sent a letter to the Auditor in regards to the financial conditions.

On MOTION by Ms. Von Blon seconded by Mr. Alexander with all in favor, the Audit for the Fiscal Year Ended September 30, 2012 as prepared by Grau & Associates was accepted and the filing of the Audit with the appropriate State agencies was ratified.

SIXTH ORDER OF BUSINESS

District Managers Report

A. Financial Statements

Mr. Moyer reviewed the financial statements through June 30, 2013, which were included in the agenda package and reported the District collected all of their non ad-valorem assessments except for \$12,500. Administrative expenses and field management services were \$80,000 under budget.

B. Check Register

Mr. Moyer reviewed the check register from May 1, 2013 through June 30, 2013, which was included in the agenda package.

Mr. Sharpe questioned the check to Prager & Co., LLC. Mr. Moyer indicated Prager was the prior firm Mr. Sealy worked for. They provided Dissemination Agent Fee services.

On MOTION by Mr. Alexander seconded by Ms. Von Blon with all in favor the June financial statements and check registers for the period May 1, 2013 through June 30, 2013 in the amount of \$854,544.70 were approved.

C. Engagement Letter with Grau & Associates to Perform the Audit for Fiscal Year Ended September 20, 2013

Mr. Moyer presented a standard form Engagement Letter from Grau & Associates authorizing them to undertake the Audit for fiscal year 2013 and noted the following:

- The fee for this work will not exceed \$5,500, which is consistent with past audits.
- Grau & Associates has done a good job and staff was satisfied with their work product.
- Mr. Van Wyk indicated the Engagement Letter has all of the statutory language, but added termination language.

On MOTION by Ms. Von Blon seconded by Mr. Alexander with all in favor the Engagement Letter with Grau & Associates to perform the Audit for Fiscal Year Ended September 30, 2013 in an amount not to exceed \$5,500 was approved as amended.

D. Meeting Schedule for Fiscal Year 2014

Mr. Moyer provided the meeting schedule for next fiscal year to the Board and reported the following:

- Each year a yearly meeting schedule was published in the newspaper as a requirement of Chapter 189 of the Florida Statutes.
- Based on last year's meeting schedule, meetings were scheduled for the fourth Monday at 5:00 P.M. on November 18, 2013, January 27, 2014, March 24, 2014, May 29, 2014, July 28, 2014 and September 22, 2014 at the offices of Leland Management.

- If the Board needs to change meetings or have additional meetings, this can be done by simply noticing a meeting as a special meeting.

On MOTION by Ms. Von Blon seconded by Mr. Rinehart with all in favor the meeting schedule for fiscal year 2014 as stated above was approved.

SEVENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

i. Authorization to Advertise Hearing for Rulemaking Regarding Rules of Procedure

Mr. Van Wyk presented a memorandum to the Board regarding updated provisions to the Rules of Procedure:

- The current rules will be amended to comply with Florida Law regarding mediation, bonds, public record requests, public comment at meetings, participation at Board meetings, bid openings and other miscellaneous changes.
- The District will go through a rulemaking procedure, which requires advertisements for rule development and rulemaking.

On MOTION by Mr. Rinehart seconded by Mr. Sharpe with all in favor the updated provisions to the Rules of Procedure were approved and staff was authorized to advertise for a Rulemaking Hearing.

ii. Consideration of Interlocal Agreement with the City of Orlando for Easterfield Drive Landscape Maintenance

Mr. Van Wyk presented the final Interlocal Agreement with the City of Orlando for landscape maintenance on Easterfield Drive.

On MOTION by Mr. Alexander seconded by Ms. Von Blon with all in favor the final Interlocal Agreement with the City of Orlando for landscape maintenance on Easterfield Drive was approved.

Mr. Van Wyk reported the DR Horton plat was submitted to the County and they are waiting for approval. The easement for the temporary signs was executed by the Board and is waiting for County approval.

B. Engineer

There not being any, the next item followed.

C. Field Operations

i. Field Management Report

ii. Landscaping Report

iii. Aquatic Maintenance Report

Mr. Smith submitted the monthly Field Management and Landscaping and Aquatic Maintenance Reports and reported the following:

- The turf looks much better, particularly by the tennis and basketball courts where there were weeds.
- They performed some plant replacements.
- All of the columns are being pressure washed along Dowden Road.
- Prices were obtained to repair the gazebo roof, but they were high so he is looking at other options.
- They cleaned the two white fences.
- Everything in the park will be pressure washed.

Ms. Von Blon indicated everything looks nice, but not on the other side of the wall.

Mr. Sharpe reported receiving complaints from residents regarding trimming around the East Lake pond.

EIGHTH ORDER OF BUSINESS

Other Business

There not being any, the next item followed.

NINTH ORDER OF BUSINESS

Supervisor's Requests and Audience Comments

Mr. Moyer reported Mr. Alexander and Mr. Rinehart sold their homes and are moving out of the District. Therefore, they are required to resign. They will continue to serve as Supervisors until their replacements are named.


On MOTION by Ms. Von Blon seconded by Mr. Rinehart with all in favor, Seats 3 and 4 were declared vacant.


TENTH ORDER OF BUSINESS

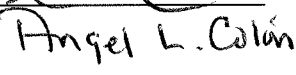
Adjournment

There being no further business,

On MOTION by Mr. Sharpe seconded by Mr. Rinehart with all in favor, the meeting was adjourned.


Gary L. Moyer
Secretary


Donald Binchart
Vice Chairman


Angel L. Colón