

**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, September 26, 2011 at the offices of Leland Management, 6972 Lake Gloria Blvd., Orlando, Florida.

Present and constituting a quorum were:

Angel Colon	Chairman
Donn Rinehart	Vice Chairman
Gracila Von Blon	Assistant Secretary
Joshua Alexander	Assistant Secretary

Also present were:

Gary Moyer	Manager: Moyer Management Group
Roy Van Wyk	Attorney: Hopping Green & Sams
Richard Dunn	Engineer
Chris Anderson	Leland Management
Brian Smith	Severn Trent Services

The following is a summary of the minutes and actions taken at the September 26, 2011 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 that all Supervisors were in attendance with one vacant seat.

SECOND ORDER OF BUSINESS

Organizational Matters

- A. Appointment of Supervisor to Fill Vacancy in Seat 2**
- B. Oath of Office**
- C. Election of Officers – Resolution 2011-09**

Mr. Moyer addressed the following:

- There is a vacancy in Seat 2, which was previously held by Mr. Tom Hagood who resigned at the last meeting.
- Pursuant to Chapter 190 of the Florida Statutes, when a vacancy occurs, the remaining Board members fill the remainder of the term of office by appointment.
- Mr. Moyer requested nominations from the Board for Seat 2.

- Mr. Colon indicated he was sending out a letter to the community tomorrow regarding this vacancy.
- Mr. Moyer noted this item would be placed on the next agenda.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the July 25, 2011 Meeting

Mr. Moyer stated that each Board member received a copy of the minutes of the July 25, 2011 meeting and requested any corrections, additions or deletions.

The Board made several changes, which will be incorporated into the amended copy of the minutes.

On MOTION by Mr. Colon seconded by Mr. Alexander with all in favor, the minutes of the July 25, 2011 meeting were approved as amended.

FOURTH ORDER OF BUSINESS

Action Items

There not being any, the next item followed.

FIFTH ORDER OF BUSINESS

District Managers Report

A. Financial Statements

D. Implementation of GASB 54

Mr. Moyer reviewed the financial statements through the end of August with the Board, which were included in the agenda package and will be made a part of the minutes of this meeting. He discussed the following regarding the implementation of GASB 54:

- GASB stands for Government Accounting Standards Board, which promulgates rules on financial reporting for governments.
- Any remaining monies at the end of the fiscal year would go into the Fund Balance. There is a rule requiring governments to take the Fund Balance and break it into categories such as non-spendable costs (utility companies) and restrictive costs (debt service reserve – only to be used in the event of a default on the bonds).
- The three remaining funds in the Board’s control are committed, assigned and unassigned funds. Committed funds are for committed expenditures, assigned funds are assigned to a certain line item and unassigned funds can be used for any purpose.

- There are two balance sheets in the financial statements; one for the old accounting method and the other for the new method based on the GASB 54 regulations.
- According to the financial statements, \$88,000 has not been collected through the non-ad valorem assessment levy process.
- Under the General Fund, the CDD is pursuing a foreclosure, which has affected the Administrative Budget. Mr. Smith has done a good job of keeping the Field Budget under budget.
- Overall, the District was utilizing the Fund Balance and doing well at this point in time.

B. Check Register

Mr. Moyer reviewed the check register from July 1, 2011 to August 31, 2011, which was included in the agenda package and will be made a part of the minutes of this meeting.

There being no questions or comments,

On MOTION by Mr. Colon seconded by Ms. Von Blon with all in favor the financial statements, utilizing GASB 54 as the new accounting protocol and the check registers for the period of July 1, 2011 to August 31, 2011 in the amount of \$176,450.71 were approved.

C. Engagement Letter with Grau & Associates to Perform the Audit for Fiscal Year Ended September 20, 2011

- Mr. Moyer presented a standard form Engagement Letter from Grau & Associates to undertake the Audit for fiscal year 2011.
- Some performance criteria will be added to the Engagement Letter in order for the Auditor to provide a draft of the Audit to the District on or before March 31, 2012. This is due to a change to the rules to present the Audit to the State within nine months versus one year.
- The fee will not exceed \$5,500, which is consistent with past audits.
- Mr. Van Wyk indicated he reviewed the Engagement Letter and found it to comply with all requirements of the Statute, with the exception of the above language.

On MOTION by Mr. Colon seconded by Mr. Rinehart with all in favor the Engagement Letter with Grau & Associates to perform the Audit for Fiscal Year Ended September 30, 2011 in an amount not to exceed \$5,500 was approved as amended.

SXITH ORDER OF BUSINESS**Staff Reports****A. Attorney**

Mr. Van Wyk reported the following:

- Foreclosure: At the last meeting, he presented a form Settlement Agreement to the Board, which the Board approved subject to the bondholders approval.
 - After the meeting, the bondholders received a report from an Independent Consultant hired to evaluate the project. They decided to reject the proposal and authorized the District to proceed with the foreclosure.
 - A motion for a partial summary judgment was filed and a hearing was set for October 20. The bondholders moved for a partial summary judgment on lots 1 through 9. If successful, it will be simple to foreclose on the back lots. If not, they will try to make a deal for the entire project.
 - Mr. Van Wyk is continuing to go back and forth with their Attorneys. He received a subpoena last Friday for additional documents.
 - He plans to come back with some answers at the next meeting.
 - Mr. Colon questioned the bondholders' liability for legal costs since they rejected the Board's proposal.
 - Mr. Van Wyk recommended the following:
 - Asking the bondholders to reimburse the District for costs expended out of the funds held on deposit as they could release a portion of the \$1.2 million in construction funds towards this expenditure.
 - Wait until the foreclosure process was completed to be reimbursed for Attorney's fees.
 - Having the Board authorize the Chairman to work with Bond Counsel to execute any documents necessary to amend the Supplemental Trust Indenture and authorize the use of funds from the construction account for foreclosure purposes.

On MOTION by Mr. Rinehart seconded by Mr. Alexander with all in favor the Chairman was authorized to work with Bond Counsel to execute any documents necessary to amend the Supplemental Trust Indenture and authorize use of the funds from the construction account for foreclosure purposes.

The Board addressed the following:

- Mr. Colon questioned whether Mr. Van Wyk received any response from the City on the Easterfield Drive completion.
 - Mr. Van Wyk confirmed he had not received any response.
- Mr. Alexander questioned whether the City had a set amount of time to respond.
 - Mr. Colon pointed out elections were coming up and a new commissioner was going to be seated on the Board of County Commissioners for District 1. He was going to meet with one of the candidates and ask this question and then get back to the Board.

B. Engineer

Mr. Dunn reported the following:

- His office was contacted last Friday by D.R. Horton who owns Neighborhoods 2 and 4 regarding their plan to build townhomes in Neighborhood 4.
 - Mr. Alexander questioned where Neighborhood 4 was located.
 - Mr. Dunn pointed out Neighborhood 4 was by the tennis courts. Neighborhood 2 was by Dowden Road.
 - Mr. Colon noted the grass was cut in this area, but nothing was submitted to the Planning Department.
 - Mr. Dunn confirmed nothing has been submitted, but they asked his office for some preliminary numbers. In this neighborhood, the construction of the utilities and infrastructure are almost complete. All that is left is the final coat of asphalt and some sidewalks.
 - Mr. Van Wyk pointed out two to three years ago; D.R. Horton conveyed a parcel of land, including some common areas and a lake to the CDD. This was brought to the Board's attention after Mr. Tom Hagood noticed this in the records of the developer. Mr. Dunn was directed to look at this area and found it close to being complete, but not enough to where the Board agreed to

accept it, so it was rejected. A letter was then sent by Mr. Van Wyk to D.R. Horton informing them of the Board's rejection of the deed until the lakes were completed.

C. Field Operations

i. Field Maintenance Report

ii. Landscaping Report

iii. Aquatic Weed Control Report

Mr. Smith presented the Monthly Highlight Report, which was included in the agenda package and available for public review in the District Office during normal business hours. He reported the following:

- The drains on Dowden Road were located and they were clogged. They will be cleaned out so they are usable. One of them will be covered because they do not need two pits.
 - Mr. Alexander questioned how they will protect the area around the open drain.
 - Mr. Smith indicated they will grade and re-sod. One side will be steep, but will be a usable area as it was currently low and marshy on one corner.
 - Mr. Rinehart pointed out the NO OUTLET sign at the corner of Cobalt and Caroline Park was facing the wrong direction.
 - Mr. Smith will handle this.
- The barbeques were re-furbished and it will last awhile.
 - Mr. Colon noted he used them and they work fine. He noticed a new volleyball net.
 - Mr. Smith indicated the net had to be replaced due to overuse. He will ask Girard to start raking the sand on a regular basis.
- At an HOA meeting there was concern regarding erosion around the lake. He asked the Board whether or not they wanted to address this since this was City property. The far end was re-graded as it was deeded to the CDD. The question was whether the Board wanted to do these improvements on a City pond since there was a maintenance contract for the CDD to handle the maintenance.

- Mr. Van Wyk indicated the CDD may have an obligation and offered to speak to Mr. Dunn.
 - Mr. Colon asked Mr. Smith to obtain maintenance estimates.
 - Mr. Smith estimated the cost would not exceed \$3,000 and offered to obtain further estimates as well as work with Mr. Dunn to pull the plat to see who has ownership of this area and responsibility for maintaining the lake bank.
- A representative of the HOA received a request to pressure wash the white PVC fence and gazebo.
 - Mr. Smith confirmed he looked at the gazebo and determined it could wait for a few months.
- A Board member reported some mower damage along Dowden Road near the fence and a brick paver that was completely cracked off of its base.
 - Mr. Smith will look into this.

SEVENTH ORDER OF BUSINESS

Other Business

There not being any, the next item followed.

EIGHTH ORDER OF BUSINESS

Supervisor’s Requests and Audience Comments

There not being any, the next item followed.

NINTH ORDER OF BUSINESS

Adjournment

There being no further business,

On MOTION by Mr. Colon seconded by Ms. Von Blon with all in favor, the meeting was adjourned.

Gary L. Moyer
Secretary

Angel Colon
Chairman