

MINUTES OF MEETING

MONTECITO
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of Montecito Community Development District was held on **Tuesday, May 1, 2007, at 11:05 a.m.** at the office of Mercedes Homes, located at 6905 North Wickham Road, Suite 501, Room 529, Melbourne, Florida 32940.

Present and constituting a quorum:

Ken Mitchell	Board Supervisor, Chairman
Bob Kush	Board Supervisor, Vice Chairman
Jim Sigmund	Board Supervisor, Assistant Secretary
Pat Longo	Board Supervisor, Assistant Secretary

(Joined meeting in progress)

Also present were:

Vivian Carvalho	District Manager, Rizzetta & Company, Inc.
Steve Murman	Representative, Rizzetta & Company, Inc.
	<i>(via speakerphone)</i>
Mike Pawelczyk	District Counsel, Billing Cochran Heath et al
	<i>(via speakerphone)</i>
Rey Malave	District Engineer, Bowyer-Singleton
	<i>(via speakerphone)</i>
Bobby Furnish	Representative, Mercedes Homes
Hazel O'Toole	Representative, Mercedes Homes
Brian Bussen	Representative, Mercedes Homes

FIRST ORDER OF BUSINESS

Call to Order

Ms. Carvalho called the meeting to order and read the roll call.

SECOND ORDER OF BUSINESS

**Consideration of the Minutes of the Board
of Supervisors Meeting held on Tuesday,
April 3, 2007**

Ms. Carvalho stated that the first item on the agenda was the consideration of the Minutes of the Board of Supervisors' Meeting held on April 3, 2007. Ms. Carvalho asked if there were any additions, deletions, or corrections to the minutes. There were none. Ms. Carvalho asked for a motion to approve.

On Motion by Mr. Sigmund, seconded by Mr. Kush, with all in favor, the Board approved the Minutes of the Board of Supervisors' Meeting held on April 3, 2007, for Montecito Community Development District.

THIRD ORDER OF BUSINESS

**Consideration of Series 2006AB
Construction Requisitions #234- #266**

Ms. Carvalho stated that the next item on the agenda was the consideration of the Series 2006 AB Construction Requisitions #234 - #266. Ms. Carvalho stated that requisitions #235, 239, 241, 242, 247, 253 and 254 are part of the A Bond. Ms. Carvalho asked if there were any questions. There were none. Ms. Carvalho asked for a motion to approve.

On Motion by Mr. Sigmund, seconded by Mr. Kush, with all in favor, the Board approved the Series 2006 AB Construction Requisitions #234 - #266 pending #254, for Montecito Community Development District.

FOURTH ORDER OF BUSINESS

**Consideration of Operation and
Maintenance Expenditures for May 2007**

Ms. Carvalho stated that the next item on the agenda was the consideration of the Operation and Maintenance Expenditures for May 2007. She gave a brief overview of the expenditures, which totaled \$15,258.97. Ms. Carvalho asked if there were any questions or comments. There was a question regarding an invoice from US Bank. The Board did not want to ratify the payment of the US Bank invoice (\$7,962.73) due to the Board considering the change of Trustee. Mr. Murman and Ms. Carvalho verified that if the Board chooses to change Trustee, it will not be a problem getting reimbursed for the Trustee fees. Ms. Carvalho asked for a motion to approve.

On Motion by Mr. Sigmund, seconded by Mr. Kush, with all in favor, the Board approved the Operation & Maintenance Expenditures for May 2007 excluding the US Bank Invoice (\$7,962.73), for Montecito Community Development District.

FIFTH ORDER OF BUSINESS

**Review of Contracts Executed by the
Chairman**

Ms. Carvalho stated the next item on the agenda was the review of the contracts executed by the Chairman. Mr. Kush gave an overview of the contracts for the Board.

He stated that the Gunnstruction Change Orders #1 & #8 was a credit.

Change Order #7 from McMaster covers the three seating areas. Change Order # 8 covers the Handicap Pads not in the plans, fill area previously excavated and extra concrete wall.

The Willie Truttling concrete pad for mailbox is a temporary location for the mailboxes. The Willie Truttling Phase 2B Stucco Inside of Circular Planter at Clubhouse was an item let off of the plans. The Willie Truttling Phase 2B Irrigation Pumping station was the solution to cover up the pump station with walls.

The Universal Engineering Sciences, Inc. Soil Removal proposal covered the clean up of contaminated soil from the transformers. The Site Essentials 16 Door CBU Box proposal covered the mailboxes for the Townhomes.

The two Lake Fountains & Aeration, Inc. Large Pond Change Orders covered that additional electrical cable.

The R.W.B. Cleanup, Inc. Phase 1B Debris Removal proposal covered the top soil clean up.

The Frank-Lin Excavating, Inc. Land Clearing and Removal proposal covered the land clearing around the three buildings used for work area and storage.

The DV Contracting, Inc. Cleanup Overhead Transformers Proposal covered the clean up of the overhead transformers.

The DV Contracting, Inc. Phase 2A Proposal covered the remainder of the 2A electrical infrastructure.

The William Glover Change Order #10 covered the 19ft. doors in the Clubhouse.

Ms. Carvalho asked for a motion to ratify.

On Motion by Mr. Sigmund, seconded by Mr. Kush, with all in favor, the Board ratified the Contracts Executed by the Chairman, for Montecito Community Development District.

SIXTH ORDER OF BUSINESS

Consideration of Treasure Coast Work Authorization Request

Ms. Carvalho stated the next item on the agenda was the consideration of the Treasure Coast Work Authorization. She stated that the total cost for the backwash discharge filter was \$12,700.00. Ms. Carvalho asked if there were any questions or comments. There were none. Ms. Carvalho asked for a motion to approve.

On Motion by Mr. Sigmund, seconded by Mr. Kush, with all in favor, the Board approved the Treasure Coast Work Authorization (\$12,700.00) for Montecito Community Development District.

SEVENTH ORDER OF BUSINESS

Consideration of Bowyer-Singleton & Associates Authorization for Additional Services

Ms. Carvalho stated that the next item on the agenda was the consideration of the Bowyer-Singleton & Associates Authorization for Additional Services. Mr. Malave gave an overview of the authorization for Additional Services to the Board. Ms. Carvalho asked if there were any questions or comments. There were none. Ms. Carvalho asked for a motion to approve.

On Motion by Mr. Sigmund, seconded by Mr. Kush, with all in favor, the Board approved the Bowyer-Singleton & Associates Authorization for Additional Services not-to-exceed \$25,000.00 for Montecito Community Development District.

EIGHTH ORDER OF BUSINESS

**Ratification of Release, Indemnification
and Agreement**

Ms. Carvalho stated that the next item on the agenda was the ratification of Release, Indemnification and Agreement. Mr. Furnish gave an overview of the Agreement to the Board. He stated that the City of Satellite Beach requires this agreement as the lots are being sold in the different Phases. He stated that this agreement is between the District and the City of Satellite Beach. Ms. Carvalho asked if there were any questions or comments. There were none. Ms. Carvalho asked for a motion to ratify.

On Motion by Mr. Sigmund, seconded by Mr. Kush, with all in favor, the Board ratified the Release, Indemnification and Agreement for Montecito Community Development District.

NINTH ORDER OF BUSINESS

Discussion of Changing Trustees

Ms. Carvalho stated that the next item on the agenda was the discussion of changing Trustees. Mr. Murman gave an overview of Bank of New York Proposal. He stated that based on the qualifications and other services, Bank of New York is the second largest in the Florida market for Corporate Trust Services. He stated that the options are Wells Fargo and Regions Bank. He stated that the determining factors are size, functionality of online services and overall accessibility. Ms. Carvalho asked the Board if they wanted to table this item to the next meeting in order to look at the other proposals from Wells Fargo and Regions Bank. Ms. Carvalho asked if there were any questions or comments. There were none.

(Pat Longo joined the meeting in progress)

TENTH ORDER OF BUSINESS

**Discussion of Amenity Center
Management**

Ms. Carvalho stated that the next item on the agenda was the discussion of the Amenity Management Service. Mr. Deary gave a presentation to the Board about his Amenity Management Services. He stated that Amenity Service Group has worked with CDD for approximately ten years. He stated that the district determines the level of service in accordance to the number of residents. He stated that the salary for a manager for 40-55 hours a week is typically estimated to be \$30,000 and with their fees included it would cost around \$52,000. Mr. Deary stated that he will be sending the Board a proposal in the next few days. Mr. Mitchell stated that he would like to hire someone right away. He asked for the opportunity to research a potential candidate. Ms. Carvalho asked if there were any questions or comments. There were none.

The Board authorized the Chairman to review and research any other amenities management firm and enter into a contract with ASG for the end of Fiscal Year 06-07 with an option for renewal for Fiscal Year 07/08 and a thirty day termination provision included in the contract. Ms. Carvalho asked for a motion to approve.

On Motion by Mr. Sigmund, seconded by Mr. Kush, with all in favor, the Board authorized the Chairman to review and research any other amenities management firm depending on the results and enter into a contract for the remainder of Fiscal Year 06-07 with an option for renewal for Fiscal Year 07-08 and a thirty day termination provision included in the contract for Montecito Community Development District.

ELEVENTH ORDER OF BUSINESS

Review of Financials

Ms. Carvalho stated the next item on the agenda was the review of the Financials. General conversation ensued. There was a question regarding the collection of the assessments from two residents. Ms. Carvalho stated that she would look into the matter. Ms. O'Toole inquired about the status of the Audit Report. Ms. Carvalho stated that she would find out the status of the report.

TWELFTH ORDER OF BUSINESS

Staff Reports

A. District Counsel
No report.

B. District Engineer
No report.

C. District Manager
Ms. Carvalho stated that the next regularly scheduled meeting would be held on Tuesday, June 5, 2007 at 11:00 a.m. at the office of Mercedes Homes, located at 6905 North Wickham Road, Suite 501, Melbourne, Florida 32940. Ms. Carvalho stated that the Proposed Budget for the Fiscal Year 2007/2008 will be presented at the June meeting.

THIRTEENTH ORDER OF BUSINESS

**Supervisor Requests and Audience
Comments**

Ms. Carvalho asked if there were any audience comments or Supervisor requests. There were none.

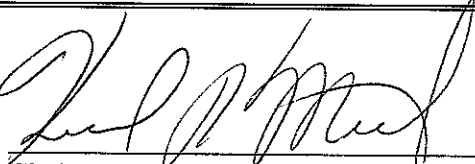
FORTEENTH ORDER OF BUSINESS

Adjournment

Ms. Carvalho stated that there were no other agenda items to come before the Board. Ms. Carvalho asked for a motion to adjourn the meeting.

On Motion by Mr. Sigmund, seconded by Mr. Kush, with all in favor, the Board adjourned the meeting at 1:35 p.m. for Montecito Community Development District.


Secretary/Assistant Secretary


Chairman/Vice Chairman