

MINUTES OF MEETING

Each person who decides to appeal any decision made by the Board with respect to any matter considered at the meeting is advised that the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.

**MONTECITO
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of Montecito Community Development District was held on **Wednesday, June 3, 2009, at 11:10 a.m.** at the Montecito Beach Club, located at 208 Montecito Drive, Satellite Beach, Florida 32937.

Present and constituting a quorum:

Bob Kush	Board Supervisor, Chairman
Jim Sigmund	Board Supervisor, Vice Chairman
Marcus Cain	Board Supervisor, Assistant Secretary

Also present were:

Vivian Carvalho	District Manager, Rizzetta & Company, Inc.
Mike Pawelczyk	District Counsel, Billing, Cochran, Lyles, Mauro & Ramsey, P. A.
Hazel O'Toole	Representative, Mercedes Homes
Sharon Weber	Representative, Mercedes Homes
Bob Gang	Representative, Greenberg Traurig, P.A. <i>(via speakerphone; joined the meeting in progress)</i>
Halle Alexander	Representative, Greenberg Traurig, P.A. <i>(via speakerphone; joined the meeting in progress)</i>

Audience Members

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 Appointment of New
Members to the Board of Supervisors**

This agenda item was tabled.

THIRD ORDER OF BUSINESS

**Administer Oath of Office to Newly
Appointed Members of the Board of
Supervisors**

This agenda item was tabled.

FOURTH ORDER OF BUSINESS

**Consideration of the Minutes of the
Board of Supervisors' Meeting held
on May 6, 2009**

On Motion by Mr. Cain, seconded by Mr. Sigmund, with all in favor, the Board approved the Minutes of the Board of Supervisors' Meeting held on May 6, 2009 for Montecito Community Development District.

FIFTH ORDER OF BUSINESS

**Consideration of the Operation
and Maintenance Expenditures for
May 2009**

On Motion by Mr. Sigmund, seconded by Mr. Cain, with all in favor, the Board approved the Operation and Maintenance Expenditures for May 2009 (\$3,402.74) for Montecito Community Development District.

SIXTH ORDER OF BUSINESS

**Consideration of Requisitions #637 - #639
Series 2006AB, Special Assessment Bonds**

Ms. Carvalho stated that these requisitions have already been reviewed and approved by the Vice Chairman and the District Engineer and are presented to the Board for ratification. A brief discussion ensued.

On Motion by Mr. Cain, seconded by Mr. Sigmund, with all in favor, the Board ratified Requisitions #637 - #639 Series 2006AB, Special Assessment Bonds for Montecito Community Development District.

SEVENTH ORDER OF BUSINESS

**Consideration of Resolution 2009-02,
Re-Designating Assistant Secretary**

This agenda item was tabled.

EIGHTH ORDER OF BUSINESS

**Consideration of Recommendation from
Audit Review Committee**

Ms. Carvalho noted for the record that the Audit Review Committee, which consists of all of the Members of the Board of Supervisors, met immediately prior to this meeting. She stated that the Audit Review Committee recommended that the Board of Supervisors establish the Evaluation Criteria with Price for the Request for Proposals for Annual Audit Services.

On a motion by Mr. Cain, seconded by Mr. Sigmund, with all in favor, the Board accepted the recommendation of the Audit Review Committee to establish the Evaluation Criteria with Price for the Request for Proposals for Annual Audit Services for Montecito Community Development District.

Ms. Carvalho requested that the Board authorize District Staff to move forward with the advertisements for the Request for Proposals for Annual Audit Services and for the second meeting of the Audit Review Committee to review the proposals.

On a motion by Mr. Cain, seconded by Mr. Sigmund, with all in favor, the Board authorized District Staff to advertise the Request for Proposals for Annual Audit Services and the second meeting of the Audit Review Committee to review the proposals for Montecito Community Development District.

NINTH ORDER OF BUSINESS

**Review of Contracts Executed by the
Chairman Pursuant to Resolution 2006-14**

Ms. Carvalho reviewed the contract for DV Contracting, Inc. for \$180.00 to move the FP&L hand hole.

On Motion by Mr. Cain, seconded by Mr. Sigmund, with all in favor, the Board ratified the contracts executed by the Chairman pursuant to Resolution 2006-14 for Montecito Community Development District.

TENTH ORDER OF BUSINESS

**Consideration of Resolution 2009-05,
Authorization to Amend the Master Trust
Indenture and First Supplemental Trust
Indenture**

Mr. Gang stated that this resolution is the next step in proceeding with the remedies that have been discussed in prior meetings in connection with the non-payment of assessments. He stated that this will allow the District, with Bondholders' consent, to take some of the funds in the Acquisition and Construction Account and create a Default Expenditure Fund. Mr. Gang stated that Exhibit A is the budget which was received from District Management and reflects a total of \$562,000.00 for default expenditure needs. He reviewed the requisition process and the process of obtaining written consent from the Bondholders. General discussion ensued.

Mr. Gang requested that District Management put information about this action on the website once the Bondholders' consent is received.

On Motion by Mr. Cain, seconded by Mr. Sigmund, with all in favor, the Board approved Resolution 2009-05, Authorization to Amend the Master Trust Indenture and First Supplemental Trust Indenture for Montecito Community Development District.

ELEVENTH ORDER OF BUSINESS

Review of Financial Statements

Ms. Carvalho reviewed the Financial Statements dated April 30, 2009. No Board action was taken.

TWELFTH ORDER OF BUSINESS

Consideration of Property Damage Release

Mr. Pawelczyk stated that this release deals with the AT&T claim where their contractor, Mastec, Inc., did damage to District facilities in the amount of \$12,100.00. He stated that damage was repaired and paid for through the Construction Account. Mr. Pawelczyk stated that once the District signs this release that \$12,100.00 will be fully reimbursed.

On Motion by Mr. Cain, seconded by Mr. Sigmund, with all in favor, the Board approved the Property Damage Release for Montecito Community Development District.

THIRTEENTH ORDER OF BUSINESS

Staff Reports

A. District Counsel
No report.

B. District Engineer
Not present.

C. District Manager
Ms. Carvalho stated that the next regular meeting of the Board of Supervisors is scheduled to be held on Wednesday, July 1, 2009, at 11:00 a.m. at the Montecito Beach Club, located at 208 Montecito Drive, Satellite Beach, Florida 32937.

FOURTEENTH ORDER OF BUSINESS

Supervisor Requests and Audience Comments

Ms. Carvalho asked if there were any Supervisor requests. There were none. She asked if there were any Audience comments.

Mr. Pantaleo, resident, asked a question as to the Board Members for the HOA. Ms. O'Toole stated that she is a member of the Board as well as Sharon Weber and Rob Smithwick. Mr. Pantaleo asked whether resident questions and Board responses are reported in the minutes. Ms. Carvalho stated that although the meetings are recorded, the minutes are not verbatim and are meant to report the actions of the Board.

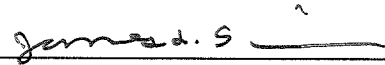
Mr. Heath, resident, stated that since the fountains have been turned off there is a problem with stagnant water causing a mosquito infestation. Ms. Carvalho stated that the fountains will be turned on for a minimum amount daily to ensure that the water will not be stagnant. Mr. Heath asked a question as to hiring an attendant for the Clubhouse. A lengthy discussion ensued. No Board action was taken.

FIFTEENTH ORDER OF BUSINESS

Adjournment

On Motion by Mr. Cain seconded by Mr. Sigmund, with all in favor, the Board adjourned the meeting at 12:50 p.m. for Montecito Community Development District.


Secretary/Assistant Secretary


Chairman/Vice Chairman