

MINUTES OF MEETING

**MONTECITO
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of Montecito Community Development District was held on **Tuesday, June 5, 2007, at 11:20 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

Also present were:

Vivian Carvalho	District Manager, Rizzetta & Company, Inc.
Eric Dailey	District Manager, Rizzetta & Company, Inc.
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 May 1,
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 May 1, 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 May 1, 2007, for Montecito Community Development District.

THIRD ORDER OF BUSINESS

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

Ms. Carvalho stated that the next item on the agenda was the consideration of the Operation and Maintenance Expenditures for June 2007. She gave a brief overview of the expenditures, which totaled \$39,552.86. 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 Operation & Maintenance Expenditures for June 2007 (\$39,552.86) for Montecito Community Development District.

FOURTH ORDER OF BUSINESS

**Consideration of Series 2006AB
Construction Requisitions #254, #267 -
#298**

Ms. Carvalho stated that the next item on the agenda was the consideration of the Series 2006 AB Construction Requisitions #254, #267 - #298. 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 #254, #267 - #298, 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. Mitchell and Ms. Carvalho gave an overview of the contracts for the Board.

-He stated that the Blue Bell Landscaping Proposal is for \$375.00, and includes irrigation pipes under walk ways.

- The L.S.P. Landscaping Estimate # 534, is for sod and irrigation for different common areas, on the south side privacy wall.

- The L.S.P. Landscaping Estimate #535, is for sod and irrigation of the common area in Phase 1A.

- The L.S.P. Landscaping Estimate #557, is for the south corner common ground.

- The Midget Brothers Proposal covers temporary cross walks on Patrick Drive.

- The Central Wetlands Nursery Quote #314, covers installation of lake plantings on lakes 30A & 40A in Phase 2A.

- The Armadillo Land Services Proposal covers the grading for central wetlands, lakes, Club House, and the inside wall along Patrick Drive.

- The Surfside Pavers Proposal covers the pavers installed in four sitting areas along Patrick Drive.

- The Gunnstruction, Inc. Proposal covers Phase 2B design changes to accommodate the Townhomes parking areas.

- The Crawford Irrigation Design, Inc. Proposal covers master irrigation for the private park and common area.

- The East Coast Fence proposal covers a 6ft board privacy fence around a house that will be demolished.

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 Blue Bell Landscaping Proposal

Ms. Carvalho stated the next item on the agenda was the consideration of the Blue Bell Landscaping Proposal. Mr. Furnish stated that this covers mowing a large open area behind the wall along Patrick Drive twice a month in the wet season, and once a month during the dry season. 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 Blue Bell Landscaping Proposal for Montecito Community Development District.

SEVENTH ORDER OF BUSINESS

Consideration of Change Order #9

Ms. Carvalho stated that the next item on the agenda was the consideration of Change Order #9. Ms. Carvalho stated that the Change Order was from McMaster Construction covering the installations of the cedar and labor, two benches, one trash receptacle, concrete sidewalk, concrete under pavers, totaling \$12,650. Ms. Carvalho asked if there were any questions or comments. Ms. Carvalho stated that this item will be tabled until the next Board meeting in order for the Board to obtain more research regarding the children's path to the school.

EIGHTH ORDER OF BUSINESS

Discussion of Changing Trustee

Ms. Carvalho stated that the next item on the agenda was the discussion of Changing the Trustee. Ms. Carvalho stated that she had received proposals from Wells Fargo, Regions Bank, and Bank of New York. She stated that Mr. Murman reviewed all the proposals and recommends Bank of New York as first choice, Wells Fargo as second, and Regions Bank as third choice. Ms. Carvalho asked if there were any questions or comments. The Board requested for the District Manager to provide an analysis comparing the Trustees' proposals. Ms. Carvalho stated that this item would be tabled in order for the District Manager to compile the information for the Board.

NINTH ORDER OF BUSINESS

Consideration of Resolution 2007-04, Changing Trustee

Ms. Carvalho stated that the next item on the agenda was the consideration of Resolution 2007-04, Changing Trustee. Ms. Carvalho asked if there were any questions or comments. There were none. Ms. Carvalho stated that this item would be tabled to the next Board meeting.

TENTH ORDER OF BUSINESS

**Presentation of Fiscal Year 2007/2008
Proposed Budget**

Ms. Carvalho stated that the next item on the agenda was the presentation of Fiscal Year 2007/2008 Proposed Budget. Ms. Carvalho stated that once the Proposed Budget is approved by the Board, she would send notice to the County, which will then have sixty days to review the budget and provide the Board with comments, if any. Ms. Carvalho stated that after the sixty-day period, the public hearing on the budget will be held, comments on the budget can be made by the Board and/or the public, and the budget will be finalized. Ms. Carvalho gave an overview of the line items for the Board. Ms. Carvalho stated that the Budgeted amount for Lake/ Pond Repairs was set at \$3,500. The Property Casualty Insurance budgeted amount was increased to \$37,500; \$5,000 was budgeted for the Landscape Replacement of Plants, Shrubs, and Trees. The budgeted amount for Termite Pest Control was set at \$2,000. The Capital Reserve was separated into \$28,000 for the Roads and \$2,000 for the Gate Motor. General conversation ensued. Ms. Carvalho stated that the Board decided to notice the Build out Budget for a total assessment of \$867,425. Ms. Carvalho asked if there were any questions or comments. There were none.

ELEVENTH ORDER OF BUSINESS

**Consideration of Resolution 2007-03,
Adopting Fiscal Year 2007/2008 Proposed
Budget and Setting the Date, Time and
Place for the Public Hearing**

Ms. Carvalho stated that the next item on the agenda was the consideration of Resolution 2007-03, Adopting Fiscal Year 2007/2008 Proposed Budget and setting the date, time and place for the Public Hearing. Ms. Carvalho recommended setting the public hearing for August 7, 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 total assessment approved was \$867,425. 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 Resolution 2007-03, Adopting Fiscal Year 2007/2008 Proposed Budget and setting the date, time and place for the Public Hearing for August 7, 2007 at 11:00 a.m., at the office of Mercedes Homes, located at 6905 North Wickham Road, Suite 501, Room 529, Melbourne, Florida 32940, for Montecito Community Development District.

TWELFTH ORDER OF BUSINESS

Review of Financials

Ms. Carvalho stated the next item on the agenda was the review of the Financials. Ms. Carvalho gave an overview of the financial statement to the Board. General conversation ensued.

THIRTEENTH ORDER OF BUSINESS**New Business**

Ms. Carvalho stated the next item on the agenda was the consideration of new business. Ms. Carvalho stated that the McMaster construction Proposal for Street Lights needed to be considered by the Board. She stated that the total cost for the proposal was \$2,600. Mr. Furnish stated that the proposal covers the installation of 8 concrete bases for street lights for Phase 2A. Ms. Carvalho asked if there were any further 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 McMaster Construction Proposal for Street Light Bases (\$2,600) for Montecito Community Development District.

Mr. Furnish stated that the two landscaping proposals received for the amenity center were from Blue Bell and LSP Landscaping. Mr. Furnish stated that his recommendation was to award the contract to LSP Landscaping. The Board approved awarding the bid for the Beach Club Landscape & Irrigation to LSP Landscaping, totaling \$157,386.86. Ms. Carvalho asked if there were any further 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 awarded the Landscaping & Irrigation contract to L.S.P. Landscaping (\$157,386.86) for Montecito Community Development District.

Mr. Furnish stated that the Board received sealed bids and opted to accept the proposal submitted by Solid Wall System for the sidewalk totaling \$18,070, but remove from their contract the base rock portion. Ms. Carvalho asked if there were any further 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 Solid Wall System Proposal (\$18,070) for Montecito Community Development District.

Mr. Furnish stated that a bid was submitted by Gunnstruction for the base rock totaling \$7,700. General conversation ensued. Ms. Carvalho asked if there were any further 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 Gunnstruction Base Rock Proposal (\$7,700) for Montecito Community Development District.

Mr. Furnish stated that he received three proposals from pool companies. Aqua-Rite's proposal was significantly lower than the other bids. General conversation ensued. The Board authorized the Chairman to enter into a contract, not-to-exceed \$12,000. Ms. Carvalho asked if there were any further 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 authorized the Chairman to enter into a contract with a Pool Maintenance Provider, not-to-exceed \$12,000 for Montecito Community Development District.

Mr. Furnish stated that before demolishing a house, the District needs to have a contractor in place to remove the Freon in the Air Conditioning units. He stated that he received a proposal from Whitey's Air Conditioning, Inc. to do the work for \$175 per unit. 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 Whitey's Air Conditioning, Inc.'s Proposal (\$175) for Montecito Community Development District.

Mr. Mitchell stated that there will be another closing in June. He stated that Family Housing was supposed to be paying for Shearwater Parkway, however they would like Mercedes Homes to build it, and they would pay Mercedes back 40% of the cost. He stated that there would be a 6% management fee to the development company. Patrick Family Housing would be responsible to pay the CDD their 40% of the road cost, and immediately escrow \$90,000 in engineering fees and also be invoiced for the construction of Shearwater Parkway. Mr. Mitchell stated that this would require a three way agreement, and is a change to the original agreement; the road would be built more cost effectively with an estimated cost of \$1.5 Million. District Counsel stated that he will work on a tri-party agreement and a management contract with Mercedes Homes to oversee the construction of Shearwater Parkway. The Board decided not to take action on this item at this time.

FOURTEENTH 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, July 3, 2007 at 11:00 a.m. at the office of Mercedes Homes, located at 6905 North Wickham Road, Suite 501, Melbourne, Florida 32940.

FIFTEENTH ORDER OF BUSINESS

**Supervisor Requests and Audience
Comments**

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

SIXTEENTH ORDER OF BUSINESS

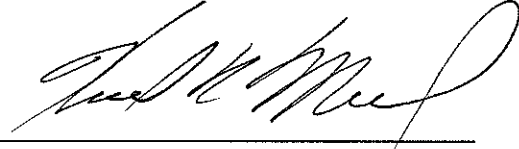
Adjournment

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 2:45 p.m. for Montecito Community Development District.



Secretary/Assistant Secretary



Chairman/Vice Chairman