

**MINUTES OF MEETING**

**MONTECITO  
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of Montecito Community Development District was held on **Tuesday, August 1, 2006, at 11:10 a.m.** at the office of Mercedes Homes, located at 6767 North Wickham Road, Melbourne, Florida 32940.

Present and constituting a quorum:

Ken Mitchell	<b>Board Supervisor, Chairman</b>
Jim Sigmund	<b>Board Supervisor, Assistant Secretary</b>
Pat Longo	<b>Board Supervisor, Assistant Secretary</b>

Also present were:

Vivian Carvalho	<b>Associate District Manager, Rizzetta &amp; Company, Inc.</b>
Dennis Lyles	<b>District Counsel, Billing, Cochran, et al</b> <i>(via speakerphone)</i>
Brian Bussen	<b>Representative, Mercedes Homes</b>
Hazel O'Toole	<b>Representative, Mercedes Homes</b>
Rey Malave	<b>District Engineer, Bowyer-Singleton &amp; Associates, Inc.</b> <i>(via speakerphone)</i>

**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 July 5,  
2006**

Ms. Carvalho stated that the first item on the agenda was the consideration of the minutes of the Board of Supervisors' meeting held on July 5, 2006 (behind tab 1). Ms. Carvalho asked if there were any questions or comments to the minutes. There were none. Ms. Carvalho asked for a motion to approve.

On Motion by Mr. Sigmund, seconded by Mr. Longo, with all in favor, the Board approved the minutes of the Board of Supervisors' meeting, held on July 5, 2006 for Montecito Community Development District.
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**THIRD ORDER OF BUSINESS**

**Consideration of RFP for Fiscal Year  
2005/2006 Audit Services and Selection of  
an Audit Committee**

Ms. Carvalho stated that the next item on the agenda was the consideration of the RFP for Fiscal Year 2005/2006 Audit Services and the selection of an Audit Committee. She stated that the Board will need to select an Audit Committee to meet and discuss criteria for Audit services. The Board recommended Hazel O'Toole, Jim Sigmund and Bob Kush to sit on the Audit Committee.

On Motion by Mr. Sigmund, seconded by Mr. Longo, with all in favor, the Board appointed Hazel O'Toole, Jim Sigmund and Bob Kush to sit on the Audit Committee and authorized Staff to run the advertisement for Audit Services for Montecito Community Development District.

**FIFTH ORDER OF BUSINESS**

**Consideration of the Agreement between  
the District and Caribeno Architectural  
Group, Inc., for the Satellite Beach  
Gateway Features**

Ms. Carvalho stated that the next item on the agenda was the consideration of the agreement between the District and Caribeno Architectural Group, Inc., for the Satellite Beach Gateway features (behind tab 2). She stated that a proposal was received and District Counsel reviewed and commented on the agreement. Mr. Bussen stated that the comments from District Counsel have been incorporated in the agreement. He explained that the District had to provide assistance with the City to design an entry monument. He stated that this proposal had a not-to-exceed amount of \$3,400.00. He recommended approval of this agreement. 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. Longo, with all in favor, the Board approved the agreement between the District and Caribeno Architectural Group, Inc., for the Satellite Beach Gateway features, with a not-to-exceed amount of \$3,400.00, for Montecito Community Development District.

**SIXTH ORDER OF BUSINESS**

**Consideration of Resolution 2006-13,  
Designating the Dates, Times and Location  
for the Regular Meetings**

Ms. Carvalho stated that the next item on the agenda was the consideration of Resolution 2006-13, designating the dates, times and location for the regular meetings (behind tab 3). Ms. Carvalho explained this to the Board, and recommended that the Board set the meeting schedule for monthly meetings with the understanding that the meetings can be cancelled. It was stated that the location of the meetings will be changing around the end of January, 2007. It was stated that the ad run with the current location, and once the location changes, another ad can be run stating the new location. It was asked if one notice can run stating the present location through January, 2007, and state the new location from February through September, 2007, and if the new location is not ready by the February meeting, if a notice can be posted on the door. Mr. Lyles stated that a notice may be posted at the door stating the location of the meeting.

There was no further discussion. Ms. Carvalho asked for a motion to approve.

On Motion by Mr. Sigmund, seconded by Mr. Mitchell, with all in favor, the Board approved Resolution 2006-13, designating the dates, time and location for the regular monthly meetings, from October, 2006 through January, 2007, with the meetings being held at the office of Mercedes Homes, located at 6767 North Wickham Road, Suite 100, Melbourne, Florida 32940, and from February, 2007 through September, 2007, with the meeting being held at the new location, located at 6905 North Wickham Road, Melbourne, Florida 32940 for Montecito Community Development District.

**SEVENTH ORDER OF BUSINESS**

**Consideration of the District Appraisal**

Ms. Carvalho stated that the next item on the agenda was the consideration of the District appraisal, prepared by Clayton, Roper and Marshall (under separate cover). Mr. Sigmund reviewed this appraisal for the Board. Mr. Lyles recommended a motion to accept the appraisal. It was stated that this appraisal was higher than the prior appraisal. Mr. Lyles reviewed the appraisal process and the acquisition process for the Board.

On Motion by Mr. Longo, seconded by Mr. Sigmund, with all in favor, the Board approved the appraisal prepared by Clayton, Roper and Marshall for Montecito Community Development District.

**EIGHTH ORDER OF BUSINESS**

**Review of Financial Statements**

Ms. Carvalho stated that the next item on the agenda was the review of the financial statements. Ms. O'Toole discussed the construction account.

**NINTH ORDER OF BUSINESS**

**New Business**

Ms. Carvalho stated that the next item on the agenda was new business to come before the Board. Mr. Bussen reviewed a proposal he received from One If By Land, Environmental Design LLC. He stated that this proposal is for the open area in front of the entrance to design landscape and hardscape to create a more inviting amenity within the existing development. He stated that this proposal amounts to \$2,878.00, and is broken down into concept design, preliminary design, and construction drawings and specifications. Ms. O'Toole stated that there will be additional landscape maintenance cost added to the Operation and Maintenance Expenditures for the upkeep of this area. Mr. Bussen recommended approving the proposal and he will have the work completed in steps.

On Motion by Mr. Sigmund, seconded by Mr. Mitchell, with all in favor, the Board approved the proposal from One If By Land, Environmental Design LLC in the amount of \$2,878.00 for Montecito Community Development District.

Ms. O'Toole discussed the master irrigation system with the Board, stating that it may need to have a separate contractor for maintenance rather than have the maintenance lumped into Nick's Landscaping contract. She stated that the system is more sophisticated than Nick's is familiar with. Nick's contract only has a small portion which is just a review of the system. Ms. O'Toole recommended this part of Nick's contract be removed so the District can move forward and approve a contract for irrigation maintenance. In addition, because the irrigation system is interconnected with the HOA and the maintenance of the individual property, and the HOA is familiar with managing contracts, the bid will be for both the CDD and the HOA, the HOA can manage this contract for the District and forward the District's portion of the maintenance expense to the District, which will make it one contract divided between the District and the HOA. Mr. Lyles stated that because the HOA does not have a bidding threshold or a legal obligation to put the maintenance out to bid, what normally happens is that the District put the bid out and does the necessary notice so the District is complying with statutory requirements. Discussion ensued regarding this issue. Since it will be under the bidding threshold, the HOA will get the contracts out and Ms. O'Toole will provide what is CDD and what is HOA to the HOA manager. Mr. Lyles recommended an addendum to Nick's Landscaping contract to delete the irrigation maintenance from the scope of services. Mr. Lyles recommended a motion to authorize Staff to amend Nick's Landscaping contract to delete the irrigation service once there is a contract in place between the HOA/CDD and the company that will provide the irrigation service.

On Motion by Mr. Sigmund, seconded by Mr. Longo, with all in favor, the Board authorized Staff to amend Nick's Landscaping contract to delete the irrigation service once there is a contract in place between the HOA/CDD and the company that will provide the irrigation service for Montecito Community Development District.

**TENTH ORDER OF BUSINESS**

**Staff Reports**

- A. District Counsel  
Mr. Lyles stated that he is still working on contacting the City Attorney. He asked the Board if the September meeting will be held. The Board stated that the September meeting can be cancelled. Mr. Lyles stated that he will need documentation from the District Engineer of the items ready for conveyance to the District. Mr. Lyles stated that a requisition will have to be generated by the Trustee for payment to the Developer.
- B. District Engineer  
Mr. Malave stated that he is continuing working on requisitions.
- C. District Manager  
Ms. Carvalho stated that the website should be up and running within the next two weeks. She stated that since the Board decided not to meet in September, the next meeting will be held on October 3, 2006.

**ELEVENTH ORDER OF BUSINESS**

**New Business**

Ms. Carvalho stated that the next item on the agenda is new business to come before the Board. Mr. Mitchell stated that he would like to invite the HOA manager to attend the next Board of Supervisors meeting. There was discussion regarding inviting the sales representatives to the next meeting. Ms. Carvalho stated that a presentation can be made to the sales department explaining what a community development district is and how it operates.

**TWELFTH ORDER OF BUSINESS**

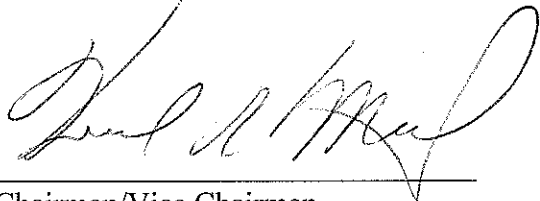
**Adjournment**

Ms. Carvalho stated that there were no other agenda items to come before the Board, so she asked for a motion to adjourn at 11:55 a.m.

On Motion by Mr. Sigmund, seconded by Mr. Longo, with all in favor, the Board adjourned the meeting for Montecito Community Development District.



Secretary/Assistant Secretary



Chairman/Vice Chairman