

MINUTES OF MEETING

MONTECITO  
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of Montecito Community Development District was held on **Tuesday, December 5, 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>District Manager, Rizzetta &amp; Company, Inc.</b>
Charis Brown	<b>Representative, Rizzetta &amp; Company, Inc.</b>
Susan Gremonprez	<b>Representative, Rizzetta &amp; Company, Inc.</b>
Dennis Lyles	<b>District Counsel, Billing Cochran Heath et al</b>
Rey Malave	<b>District Engineer, Bowyer-Singleton <i>(via speakerphone)</i></b>
Hazel O'Toole	<b>Representative, Mercedes Homes</b>
Bobby Furnish	<b>Representative, Mercedes Homes</b>

**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 November  
7, 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 November 7, 2006 (behind tab 1). Ms. Carvalho asked if there were any questions, comments, additions or deletions to the minutes. Mr. Sigmund recommended that the motion box under the Fifth Order of Business be amended to read "an increase only for scope changes" and to indicate that the discussion concerning impact glass for the Clubhouse was tabled under the Ninth Order of Business. Ms. Carvalho asked if there were any further questions, comments, additions or deletions to the minutes. There were none. Ms. Carvalho asked for a motion to approve the minutes as amended.

On Motion by Mr. Sigmund, seconded by Mr. Longo, with all in favor, the Board approved the amended minutes of the Board of Supervisors' meeting held on November 7, 2006 for Montecito Community Development District.

**THIRD ORDER OF BUSINESS**

**Consideration of Operation and  
Maintenance Expenditures for November  
2006**

Ms. Carvalho stated that the next item on the agenda was the consideration of Operation and Maintenance Expenditures for November 2006 (behind tab 2). Ms. Carvalho stated that the expenditures total \$6,350.91. Ms. Carvalho gave a brief overview of the expenditures. She asked if there were any questions or comments. Mr. Sigmund stated that the insurance bill was higher than the amount that had been anticipated for the new property insurance policy. The Board discussed the prices and coverage under the policy, as well as adding additional coverage. Ms. Carvalho stated that she would add coverage for the clubhouse and collect the prices after the new coverage was added to present to the Board. Ms. Carvalho asked if there were any additional questions or comments. There were none. Ms. Carvalho asked for a motion to approve.

On Motion by Mr. Sigmund, seconded by Mr. Mitchell, with all in favor, the Board approved the Operation and Maintenance Expenditures for November 2006 (\$6,350.91) for Montecito Community Development District.

**FOURTH ORDER OF BUSINESS**

**Consideration of Series 2006 A&B  
Construction Requisitions #127-#135,  
#138, and #140-# 145**

Ms. Carvalho stated that the next item on the agenda was the consideration of Series 2006 A&B Construction Requisitions #127-#135, #138, and #140-# 145 (behind tab 3). Ms. Carvalho reviewed the requisitions with the Board. All of the requisitions were from the Series B Bonds except for #134, which was from the Series A Bond. 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. Mitchell, with all in favor, the Board approved Series 2006 A&B Construction Requisitions #127-#135, #138, and #140-# 145 for Montecito Community Development District.

**FIFTH ORDER OF BUSINESS**

**Consideration of Series 2006AB  
Construction Requisitions #136-#139 and  
#147-#149**

Ms. Carvalho stated that the next item on the agenda was the consideration of Series 2006 A&B Construction Requisitions #136-#139 and #147-#149 (under separate cover). Ms. Carvalho reviewed the requisitions with the Board. All of the requisitions were from the Series B Bonds except for #137 and #139, which were from the Series A Bond. 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 Series 2006 A&B Construction Requisitions #136-#139 and #147-#149 for Montecito Community Development District.

**SIXTH ORDER OF BUSINESS**

**Consideration of Modern Mailbox Designs Contract**

Ms. Carvalho stated that the next item on the agenda was the consideration of the Modern Mailbox Designs Contract (tabled on November 7, 2006; behind tab 4). Mr. Furnish gave an overview of the contract. Mr. Furnish stated that the accrued cost for storm panels was below \$10,000.000 and that the District would rely on professional installation of the panels each time the panels were to be used, with a three-day lead time. There was a lengthy discussion regarding fabric panels, storm shutters and impact glass as options for the clubhouse.

The Board agreed to reject the Modern Mailbox Designs Contract and utilize impact glass under the William Glover contract as a change order, totaling \$25,869.75. Ms. Carvalho asked if there were any questions. There were none. Ms. Carvalho asked for a motion to approve the change order.

On Motion by Mr. Sigmund, seconded by Mr. Mitchell, with all in favor, the Board approved a change order adding impact glass to the contract with William Glover (\$25,869.75) for Montecito Community Development District.

**SEVENTH ORDER OF BUSINESS**

**Consideration of Lake Doctors Water Management Agreement**

Ms. Carvalho stated that the next item on the agenda was the consideration of the Lake Doctors Water Management Agreement (tabled on November 7, 2006; behind tab 5) and the consideration of the Letter of Amendment from Lake Doctors Water Management (behind tab 6). Ms. Carvalho recommended that the Board amend the contract to reflect the monthly charge of refilling the fish feeder, totaling \$25.00 per month. 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 Letter of Amendment from Lake Doctors Water Management (\$25.00 per month) for Montecito Community Development District.

**EIGHTH ORDER OF BUSINESS**

**Consideration of Change Order #3 from McMaster Construction for Second Entry/Patrick Drive Security Camera**

Ms. Carvalho stated that the next item on the agenda was the consideration of contracts executed by the Chairman (behind tab 6), beginning with Change Order #3 from McMaster Construction for Second Entry/Patrick Drive Security Camera. Ms. Carvalho stated that the change order totaled \$597,663.25. Ms. Carvalho and Mr. Furnish gave an overview of the change order. Ms. Carvalho asked if there were any questions. There were none.

**Consideration of Change Order #7 from GUNNstruction for Phase 1B**

Ms. Carvalho stated that the next item on the agenda was the consideration of Change Order #7 from GUNNstruction for Phase 1B. Ms. Carvalho gave a brief overview of the change order and asked if there were any questions or comments. The Board discussed the location of the clubhouse. Ms. Carvalho asked if there were any additional questions or comments. There were none.

**Consideration of FPL Power Systems Contract for Phase 2A Clubhouse**

Ms. Carvalho stated that the next item on the agenda was the consideration of FPL Power Systems Contract for Phase 2A Clubhouse, totaling \$4,380.64. Ms. Carvalho asked if there were any questions or comments. The Board discussed the price of the underground work and the area that this change order would cover. It was stated that this change order was from the B Bond. Ms. Carvalho asked if there were any additional questions or comments. There were none.

**Consideration of FPL Power Systems Contract for Phase 2B**

Ms. Carvalho stated that the next item on the agenda was the consideration FPL Power Systems Contract for Phase 2B. The Board discussed the contract, which is from the B Bond and totals \$5,950.77. Ms. Carvalho asked if there were any additional questions or comments. There were none.

**Consideration of Proposal from Layton Design Studios, LLC**

Ms. Carvalho stated that the next item on the agenda was the consideration of the proposal from Layton Design Studios, LLC. Ms. Carvalho gave a brief overview of the proposal, for which the dollar amount had not changed. The Board discussed the changes in the proposal. Ms. Carvalho asked if there were any questions. There were none.

**Consideration of Blue Bell Landscaping Change Orders #1-#2**

Ms. Carvalho stated that the next item on the agenda was the consideration of Blue Bell Landscaping Change Orders #1-#2 (under separate cover). Ms. Carvalho stated that Change Order #1 totaled \$925.00, for additional spray heads, and Change Order #2 totaled \$100.00, for removal of concrete debris from demolition. The Board discussed the Change Orders. Ms. Carvalho asked if there were any questions. There were none.

**Consideration of Armadillo Land Services Change Order for Proposal #09106**

Ms. Carvalho stated that the next item on the agenda was the consideration of Armadillo Land Services change order for Proposal #09106. Mr. Furnish gave a brief overview of the change order for the entry to Phase II, which totaled \$9,640.00. The Board discussed the price of the change order. Ms. Carvalho asked if there were any further questions or comments. There were none.

**Consideration of Relco Unlimited/C.H. Merrill Project Proposal for Sidewalk Lighting and Phase 2A Street Lighting**

Ms. Carvalho stated that the next item on the agenda was the consideration of Relco Unlimited/C.H. Merrill Project Proposal for Sidewalk Lighting and Phase 2A Street Lighting. The Board discussed the services provided by the proposal. The Board discussed the proposal which totaled \$1,700.00 and the Board requested that the last paragraph be removed from the contract.

Ms. Carvalho asked if there were any further questions or comments concerning the contracts executed by the Chairman. There were none. Ms. Carvalho asked for a motion to ratify all of the contracts executed by the Chairman.

On Motion by Mr. Sigmund, seconded by Mr. Mitchell, with all in favor, the Board ratified all contracts executed by the Chairman for Montecito Community Development District.

**NINTH ORDER OF BUSINESS**

**Consideration of Frank-Lin Excavating Contract**

Ms. Carvalho stated that the next item on the agenda was the consideration of the Frank Lin Excavating Contract. Ms. Carvalho stated that the contract totaled \$2,000.00. Mr. Furnish gave an overview of the contract, which was for maintaining service vehicle access of Phase 2B by building a mulch road. Ms. Carvalho asked if there were any questions. There were none. Ms. Carvalho asked for a motion to approve the contract.

On Motion by Mr. Sigmund, seconded by Mr. Mitchell, with all in favor, the Board approved the Frank Lin Excavating Contract (\$2,000.00) for Montecito Community Development District.

**TENTH ORDER OF BUSINESS**

**Consideration of Change Order #1 from William Glover, Inc. for Roofing Screws**

Ms. Carvalho stated that the next item on the agenda was the consideration of Change Order #1 from William Glover, Inc. for Roofing Screws. Ms. Carvalho gave an overview of the change order totaling \$896.00, for using stainless steel roofing screws in lieu of galvanized screws. The Board discussed the durability and availability of roofing screws. 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. Longo, with all in favor, the Board approved Change Order #1 from William Glover, Inc. (\$896.00) for Montecito Community Development District.

**ELEVENTH ORDER OF BUSINESS**

**Consideration of New Business**

Ms. Carvalho stated that the next item on the agenda was the consideration of new business items. Mr. Furnish gave an overview of a proposal signed by the Chairman for engineering and permitting services for the clubhouse pool on March 24, 2006. Mr. Furnish asked if the proposal, totaling \$2,850.00, had come before the Board. The Board discussed the document and agreed that it had neither been considered nor ratified.

Mr. Furnish gave an overview of a proposal from Landmark Painting to re-seal the woodwork at the entrances to the District. Mr. Furnish stated that he had received two price quotes with a large price difference, and recommended that the Board approve the proposal from Landmark Painting totaling \$625.00. The Board discussed the proposal and the work involved. Ms. Carvalho asked if the proposal had been reviewed by District Counsel. It was stated that the document had not been reviewed but that it could be approved subject to District Counsel review. Ms. Carvalho asked if there were any further questions or comments. There were none. Ms. Carvalho asked for a motion to approve, subject to review by district counsel.

On Motion by Mr. Sigmund, seconded by Mr. Longo, with all in favor, the Board approved the proposal from Landmark Painting (\$625.00), subject to review by District Counsel, for Montecito Community Development District.

**TWELFTH ORDER OF BUSINESS**

**Staff Reports**

A. District Counsel

Mr. Lyles stated that details had been researched concerning making a change in the trustee as discussed during the previous meeting. Mr. Lyles stated that he had confirmed that all Bonds were registered, therefore the District would be required to give written notice to the existing trustee, the Bond holders, the paying agent, registrar, and other individuals required under Article 11 of the Master Trust Indenture in order to effect any change in the trustee. He stated that it had been confirmed that the District would not have to go to any extraordinary or costly measures, such as listing the change in the Bond buyers' publication. Mr. Lyles stated that the process will begin once direction is given by the Board. The Board discussed the process of changing the trustee. Mr. Lyles recommended selecting Wells Fargo as the District's trustee. The Board discussed available firms to be designated at the District's new trustee. Mr. Lyles stated that he would collect all necessary documents prior to the next meeting to begin the process of designating a new trustee.

B. District Engineer  
No report.

C. District Manager

Ms. Carvalho gave a brief overview of the District's website, [www.rizzetta.com/montecito](http://www.rizzetta.com/montecito). Ms. Carvalho asked if the Board would like to change the date of the next meeting. After discussion, the Board agreed to keep the planned meeting date of January 2, 2007 at 11:00 a.m. Ms. Carvalho recommended continuing the current meeting to December 19, 2006. Ms. Carvalho asked if there were any questions or comments. Mr. Furnish asked District Counsel for information in regard to the potential of extending the Earth Work Contract bid date. Mr. Lyles discussed the options. The Board discussed extending the Earth Work Contract bid to 12:00 p.m. on December 15, 2006. Ms. Carvalho asked if there were any additional questions or comments. There were none. Ms. Carvalho asked for a motion to extend the Earth Work Contract bid.

On Motion by Mr. Sigmund, seconded by Mr. Mitchell, with all in favor, the Board extended the Earth Work Contract bid from December 8, 2006 to December 15, 2006 at 12:00 p.m. for Montecito Community Development District.

**THIRTEENTH ORDER OF BUSINESS**

**Supervisor Requests and Audience  
Comments**

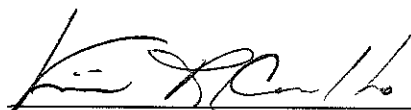
Ms. Carvalho stated that the next item on the agenda was supervisor requests and audience comments. The audience members in attendance were the same as identified at the beginning of the meeting. Ms. Carvalho asked if there were any supervisor requests. There were none.

**FOURTEENTH ORDER OF BUSINESS**

**Recess**

Ms. Carvalho stated that there were no other agenda items to come before the Board, so she asked for a motion to recess the meeting to be reconvened on Tuesday, December 19, 2006 at 11:00 a.m. at the office of Mercedes Homes, located at 6905 North Wickham Road, Melbourne, Florida 32940.

On Motion by Mr. Sigmund, seconded by Mr. Longo, with all in favor, the Board recessed the meeting to be reconvened on Tuesday, December 19, 2006 at 11:00 a.m. at the office of Mercedes Homes, located at 6905 North Wickham Road, Melbourne, Florida 32940, for Montecito Community Development District.



Secretary/Assistant Secretary



Chairman/Vice Chairman