

**MEMORANDUM**

FROM: SHELL, FLEMING, DAVIS & MENGE, P.A.  
TO: NAVARRE BEACH TAX SUIT WEBSITE  
SUBJECT: BRIEF STATUS REPORT ON LITIGATION  
DATE: AUGUST 30, 2007

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On August 2, Judge Gary Bergosh entered an order granting defendants' motion for partial summary judgment and entering final judgment against all of the condominium lessees included in the lawsuit. He ruled that the issues of taxation of (a) leasehold improvements of all lessees and (b) the land under the condominiums, had been litigated in the 2002-2005 class action cases and that the Property Appraiser and Tax Collector, in essence, won those cases.

The law firm timely filed a motion for rehearing on behalf of all plaintiffs, asking the court to vacate the final judgment, in part because the taxation of the land was not raised as an issue by either side in the class action cases.

There are other issues, on procedural grounds, that we have raised before Judge Bergosh. These will be more fully explained to our clients in a confidential report we will be sending within the next couple of weeks.

In addition, please be advised that the defendants have sent us written requests for information from our clients, which are reproduced separately. These include requests for admissions, interrogatories and requests for production. We will be sending our clients, with the confidential report, advice about how to respond to these requests. We request that our clients send nothing right now - - please await our instructions - - but we do encourage them to gather the documents mentioned in the request for production that have not already been sent to us, and keep them in a handy place. We will be in touch.