

Navarre Beach Against Illegal Taxation Committee
A Committee of the Navarre Beach Leaseholders and Residents Association

October 10, 2006

Dear Fellow Navarre Beach Leaseholders:

Mr. M.J. Menge of the Pensacola law firm of Shell, Fleming, Davis and Menge met with the entire Tax Committee on September 25, 2006. Mr. Menge spoke to the Committee for an hour and half about the issues pertinent to and the history of other attempts to tax leasehold property in the State of Florida. He then answered our questions for another hour. All members of the Committee were favorably impressed by his knowledge of the law and experience, having represented Pensacola Beach Leaseholders twice in the past when Escambia County levied taxes on Pensacola Beach. In both cases, the Florida Supreme Court ruled leasehold property could not be taxed. Mr. Menge indicated that despite Judge Rasmussen's ruling and the First District Court of Appeals ruling on taxing the improvements, Florida Law is very much on our side. He is also of the opinion that when the issues are framed correctly, there is a good chance the Florida Supreme Court will eventually overturn the ruling on taxing the improvements. Mr. Menge and his law firm have agreed to represent us in our efforts to dispute the taxation of our leased land.

All residential and commercial leaseholders are eligible to join this lawsuit. It is important that everyone understand this lawsuit will not be a class action suit. In order to be part of this lawsuit and not pay the 2006 tax bill on your leased land, you will have to be a named plaintiff. If you are not a named plaintiff, you will not benefit from a ruling in our favor and your taxes will continue to be due and payable every year.

To be a named plaintiff in this lawsuit, you will have to submit certain documentation and contribute towards the legal fees. We are asking residential leaseholders to contribute \$375.00 per leasehold parcel. Commercial leaseholders should email or call our Treasurer for their contribution per leasehold. If enough leaseholders participate, there will be no need for additional contributions. Your check should be made payable to NBAITC and mailed to P.O. Box 5415, Navarre, FL 32566-0415. The Committee will greatly appreciate your early contributions to help us cover our initial legal costs and retainer due on October 31, 2006.

We are enclosing a list of the documentation needed by our attorneys for every named plaintiff. All information must be received no later than 12:00 pm (noon) Friday, November 17, 2006.

The entire Committee is of the opinion that our likelihood of winning this battle is very good. No one in this State knows more about leasehold property, the law and prior rulings that prohibit the taxing of leasehold property than Mr. Menge. It is imperative that we fight Mr. Brown's illegal taxation of our leasehold property.

Sincerely,

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P.O. Box 5415, Navarre, FL 32566-0415
www.navarrebeachtaxsuit.com Email: Info@navarrebeachtaxsuit.com

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DOCUMENTATION NEEDED FROM EACH LEASEHOLDER

The following information is required of each Leaseholder to be named in the lawsuit:

1. **Leaseholder Information Sheet**
2. **Original Lease** – The lease between Santa Rosa County and the original or first leaseholder of your property.
3. **Assignment of Lease or Sublease and any Amendments** - This lease assignment shows the transfer of the lease from the prior leaseholder to the current leaseholder (you). You may find a copy of this lease in your closing documents. There will not be an assignment of lease if you hold the original lease.
4. **Copy of the 2006 Ad Valorem Tax Bill** – The Santa Rosa County Tax Collector will mail tax bills around November 1, 2006.
5. **Legal Fees Contribution** – Residential: \$375.00 per leasehold parcel
- Commercial: Please call or email our Treasurer

All of this information must be submitted to the Tax Committee no later than 12:00 pm (noon) Friday, November 17, 2006.

Please do not mail your documents until you have all the documents listed above.

The Committee may provide dates and locations to hand deliver this documentation and will update you with that information as soon as those dates and locations can be confirmed.

Treasurer: Robin Baker, (850) 654-5868 or email info@navarrebeachtaxsuit.com

Mail all forms and make check(s) payable to:

NBAITC
P.O. Box 5415
Navarre, FL 32566-0415

(See Reverse Side for More Information)

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Lawsuit Filing Date - A lawsuit by the Leaseholders must be filed within 60 days of certification of the tax roll. Certification of the tax roll generally occurs between October 1 and October 15.

Lease Documents are available through the Santa Rosa County Clerk of Court, if you do not have them on file. The Clerk of Court has a per page charge for copies of these documents, which is the responsibility of the person requesting the documents.

Santa Rosa County Clerk of Courts Office Locations:

Main Office: 6495 Caroline Street, Milton, FL 32570 Telephone: (850) 983-1880

South Service Center: 5841 Gulf Breeze Parkway, Ste. A, Gulf Breeze, FL 32563 Telephone: (850) 934-8175

Lease documents are also available at the Clerk of Court's web site www.santarosaclerk.com. The records on the Clerk's website only go back to 1984. For many older leases, the original lease is not available through the Clerk's web site.

Your title insurance policy may reference the book and page number of your original lease. If so, you can go to the Santa Rosa Clerk's office website and search older non-indexed records at the link "Click here to search older non-indexed images". If available, one page of your document will appear at a time. You may need to go forward or backward to get all the pages of your document.

You may also contact your Title Insurance Company. Your Insurer or Title Company may retain a copy of your lease(s) in their insurance files. In addition, you may contact any local title company in the County to request help with obtaining your lease copies.

Tax Bills – The Santa Rosa County Tax Collector will mail tax bills around November 1, 2006. If you do not receive a tax bill by the second week in November, contact the Tax Collector's Office (850) 438-6500 or visit their web site www.robertmclure.com.

Our Website - The Tax Committee has created a website that will contain all of this information as well as news and updates of the progress of our lawsuit. The website address is www.navarrebeachtaxsuit.com. With the number of Leaseholders and associated costs of reproduction and postage, we plan to post as much information as possible on the website to keep our administrative costs to a minimum. You are welcome to email questions or comments to us at info@navarrebeachtaxsuit.com.

Legal Liaison Committee - In accordance with terms of our representation agreement, we have created a Liaison Committee of three to act as a liaison between the Leaseholders and our attorneys. If you have any questions for the Liaison Committee or for our attorneys, please email them to us at info@navarrebeachtaxsuit.com and we will get your question answered. This enables us to reduce the number of hours (and thus our bill) our attorneys may spend with individual Leaseholders that may have the same or similar questions. Members of the Legal Liaison Committee are: Mike Van Cavage, (850) 934-9482; Paul Horil (850) 939-7444; and Robin Baker, (850) 654-5868.

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Leaseholder Information Sheet
Only One Property per Form

Leaseholder(s) Name(s) (as recorded on your lease):

Mailing Address:

Street/P.O. Box: _____

City, State, Zip Code: _____

Leasehold Address: _____

Contact Information:

Home Phone: (_____) _____ Work Phone: (_____) _____

Cell Phone: (_____) _____ Email: _____

Contributions Enclosed:

Legal Fees Contribution - Residential:	\$375.00
Legal Fees Contribution – Commercial:	\$ _____
Additional Contribution:	\$ _____
Total Enclosed:	\$ _____

Forms Enclosed:

_____ Current Lease _____ 2006 Tax Bill _____ Original Lease

Mail all forms and make check(s) payable to:

NBAITC
P.O. Box 5415
Navarre, FL 32566-0415