

July 18, 2007

RE: Beach Assessment for Property Strap Number:

Dear Owner of Captiva Island Property:

The Captiva Erosion Prevention District (CEPD) will be assessing Captiva Island property owners for the 2005-2006 beach renourishment this year.

The total amount to be collected by special assessments against Captiva Island properties is \$5,501,595. The remaining amount of the cost of approximately \$20.2 million for the project is being funded by Federal, State and local (Lee County) grants.

The amount of the assessment against the above parcel is given on page three of this letter.

Since the letter informing property owners of the Tentative Apportionment of Cost was mailed in July 2004, the costs of the project increased from approximately \$11.9 million to \$20.2 million. The reasons for the increase include:

- Damage to the beach from the hurricanes in the fall of 2004, especially Hurricane Charley, a category 4 storm, causing the initial delay in construction until fall of 2005.
- An unusually active hurricane season in 2005 while construction was underway, resulting in additional reconstruction work including additional sand on the beach, largely paid for with Federal storm recovery grants.
- The assessments are being billed one year later than planned, due to delays created by the Federal process. As a result of this delay, the CEPD incurred unanticipated carrying costs on the bank loan that had been secured to finance the project pending the receipt of the special assessments from property owners.

The assessments are based on the share of benefits received by island properties, and were calculated according to the methodology used in prior CEPD beach nourishment assessments. Properties may receive two types of benefits from the Project, namely, storm damage prevention and recreational access to the renourished beach. All storm damage prevention benefits are received by properties fronting the Gulf of Mexico; recreational benefits are received by all residential and commercial properties on the island. Reports detailing the calculation of these benefits are available from the CEPD Office.

In accord with the CEPD enabling legislation, properties were grouped into benefit categories, the members of which receive broadly similar levels of benefit. Benefit categories included Gulf-front properties in nine different zones along the beach, non-Gulf single family properties, non-Gulf multi-family properties, non-Gulf interval properties and non-Gulf commercial properties.

The benefit category for the above property will be found on page three of this letter.

The Captiva Erosion Prevention District (CEPD) will hold a public hearing regarding the adoption of special assessments to be levied against properties in order to pay for the 2005 Beach Maintenance Renourishment Project. The hearing will take place at the Captiva Community Center, 11550 Chapin Lane on Captiva Island on July 24th, 2007, beginning at 5:01 p.m. Property owners in July 2004 were previously sent a notice of the Tentative Apportionment of Cost.

Property owners have a 60-day period from the official date of published notice on July 8th until September 5th, 2007 during which time they may pay their assessments in full without incurring any interest charges. Payment can be mailed to the Captiva Erosion Prevention District offices at the mailing address given above. Please write the Property Strap Number on the check and make the check payable to the Captiva Erosion Prevention District.

An installment payment plan is available to property owners who do not wish to pay the assessment in full during the 60-day payment period. Payment will be collected in seven annual installments as part of the annual collection of property taxes made by the Lee County Tax Collector. The annual installment for the Special Assessment for the Beach Maintenance Renourishment Project will appear as a line item on the owner's annual Property Tax Bill. The annual installment will include an interest charge based on the interest rate being paid by the CEPD. The annual interest rate will not exceed 5.5 percent until April 30, 2012 when the interest rate paid by the CEPD will become variable. The first installment will be on the next Property Tax Bill from the Lee County Tax Collector.

Failure to pay the Beach Maintenance Renourishment assessment installment will result in a tax certificate being issued against the property which then may result in further proceedings that could cause a loss of title to the property.

All interested parties may appear at the hearing on July 24, file written objections and give testimony regarding the confirmation and adoption of the assessment roll. Written objections to the adoption of the assessment roll may also be filed with the CEPD prior to the public hearing. Such objections should be mailed or faxed to the CEPD, and must be received no later than the day of the hearing.

Very truly yours,

The Board of Commissioners, The Captiva Erosion Prevention District

Rene Miville, Chairman
Sherrill Sims, Vice Chairman
Dave Jensen, Treasurer
Doris Holzheimer, Secretary
Mike Mullins, Commissioner

Captiva Beach Assessment 2007

Property Strap Number:

Benefit Category:

Assessment: