

EXHIBIT B

CONTRACT & LEASE AGREEMENT CONTROL FORM

Date: 10/9/2007

Contract/Lease Control #: L08-0306-^{PS}~~ESI-70~~

Bid #: N/A

Contract/Lease Type: EXPENDITURE

Award to/Lessee: BCC/SHERIFF

Lessor: CITY OF DESTIN

Effective Date: 9/18/2007

Amount: \$1 ANNUAL

Term/Expires: INDEFINITE

Description of Contract/Lease: BLDG IN DESTIN FOR SHERIFF/EMS
SUBSTATION

Department Manager: PUBLIC SAFETY

Department Monitor: D. VILLANI

Monitor's Telephone #: 651-7150

Monitor's Fax #: 651-8082

Date Closed:

LEASE AGREEMENT

STATE OF FLORIDA COUNTY OF OKALOOSA

This Lease made and entered into this 2th day of AUGUST, 2007 among the CITY OF DESTIN, 4200 Two Trees Road, Destin, Florida 32541, a Florida municipal corporation (hereafter referred to as "City" or "Lessor") and OKALOOSA COUNTY, 1804 Lewis Turner Blvd, Suite 400, Fort Walton Beach, Florida 32547 (hereafter referred to as "County") and OKALOOSA COUNTY SHERIFF'S OFFICE, 1250 North Eglin Parkway, Shalimar, Florida 32579 (hereinafter referred to as "Sheriff").

Section 1. Description. City hereby leases to County and Sheriff and County and Sheriff hire from City a portion of the premises located at 7 Stahlman Avenue Destin, Okaloosa County, Florida and which is more particularly described as follows:

Commencing at the southernmost corner of Lot 375, Block D, of the recorded plat of Second Revision of Calhoun's Addition to Destin, Florida as recorded in Plat Book 1, Page 43-A of the Public Records of Okaloosa County, Florida said point being on the northwesterly right-of-way of Stahlman Avenue (60' R/W); Thence proceed North 50 degrees, 57 minutes, 00 seconds East along said northwesterly right-of-way a distance of 321.29 feet to the Point of Beginning; Thence departing said northwesterly right-of-way proceed North 39 degrees, 03 minutes, 00 seconds West a distance of 199.15 feet; Thence proceed North 50 degrees, 55 minutes, 49 seconds East a distance of 120.04 feet; Thence proceed South 39 degrees, 03 minutes, 00 seconds East a distance of 199.19 feet to the aforementioned Northwesterly right of way of Stahlman Avenue; Thence proceed South 50 degrees, 57 minutes, 00 seconds West along said Northwesterly right-of-way a distance of 120.04 feet to the Point of Beginning. Lying in and being a part of the undivided Township 2 South, Range 22 West, Okaloosa County, Florida and contains 0.55 acres more or less. Subject to any easements, covenants or restrictions if or as applicable.

The portion of the premises leased pursuant to this Lease shall be as described in Exhibit "A."

Section 2. Term. This Lease replaces the lease dated April 20, 1998, terminated the effective date of this Lease. The term of this Lease shall commence on the effective date, and end upon sixty (60) days written notice by either party to terminate the Lease. Upon expiration or termination of this lease, County and Sheriff shall deliver possession of the demised premises to Lessor.

Section 3. Rent County shall pay to Lessor as and for rent the sum of One Dollar and no/100 (\$1.00) per year. Sheriff shall pay to Lessor as and for rent the sum of One Dollar and no/100 (\$1.00) per year.

Section 4. Use of Premises. County and Sheriff shall use the premises as an operations base, substation, crew quarters, and other purposes consistent with its law enforcement and emergency medical activities. Upon failure of County and Sheriff to use premises for such purposes, this lease shall terminate. County and Sheriff shall not vacate or abandon the premises at any time during the term hereof.

L08-0306-ESI-70
LESSOR: CITY OF DESTIN
LESSEE: BCC & SHERIFF
EMS/SHERIFF SUBSTATION
EXPIRES: INDEFINITE

Section 5. Condition of Premises and Alterations. Taking possession of the premises by County and Sheriff shall constitute acknowledgement that the lease premises are in good condition. County and Sheriff shall accept the premises in their present existing condition, and City shall not be required to make any alterations to the premises. City acknowledges that County and Sheriff, at its discretion and expense, may make alterations and improvements to the lease premises, subject only to a prior written notice to City of County and Sheriff's intent to do so with City's written consent and permission which shall not be unreasonably withheld. Commencement of any improvement which requires a development or building permit without same shall be cause for termination of this lease.

Section 6. Prohibition of Assignment or Sublease. County and Sheriff may not sublet the premises in whole or in part without City's consent, but the making of any such sublease shall not release County or Sheriff from, or otherwise affect in any manner, any of County's or Sheriff's obligations under this lease. County and Sheriff shall not assign or transfer this lease, or any interest herein, without prior written consent of City, and a consent to an assignment shall not be deemed to be a consent to any subsequent assignment. Any such assignment without such consent shall be void, and shall, at the option of Lessor, terminate this lease. Neither this lease nor the leasehold estate of County or Sheriff nor any interest to County or Sheriff hereunder in the promise, nor any buildings or improvements thereon, shall be subject to involuntary assignment, transfer, or sale by operation of law in any manner whatsoever, and any such attempted involuntary assignment, transfer, or sale shall be void and of no effect and shall, at the option of the City, terminate this lease.

Section 7. Premises Maintenance. County and Sheriff shall, throughout the term of this lease, at its own cost, and without any expense to City, keep and maintain the lease premises, including all buildings and improvements of every kind that may be a part thereof, and all appurtenances thereto in good, sanitary, and neat order, condition and repair, and except as specifically provided herein, restore and rehabilitate any improvements of any kind that may be destroyed or damaged by fire, casualty, or any other cause whatsoever. Lessor shall be obligated to make any repairs, replacements, or renewals of any kind, nature, or description whatsoever to the demised premises of any buildings or improvements thereon, except that County and Sheriff will pay for up to \$1500.00 in aggregate repairs, replacements, or renewals expenses per fiscal year. County and Sheriff shall also comply with and abide by all federal, state, county, municipal, and other government statutes, ordinances, laws and regulations affecting the premises, the improvements thereon, or any activity or condition on or in such premises. County and Sheriff shall fully and promptly pay for all water, sewer, gas, electricity, telephone service, and other public utilities of every kind furnished to the premises throughout the term hereof, and all other costs and expenses of every kind whatsoever or in connection with the use, operation and maintenance of the lease premises and all activities conducted thereon.

Section 8. County and Sheriff's Duty to Keep Premises Free of Liens.

a. County and Sheriff shall keep all of the premises and every part thereof and all buildings and other improvements at any time located thereon free and clear of any and all mechanics, materialman's, and other liens for or arising out of or in connection with work or labor done, services performed or materials or appliances used or furnished for or in connection with any operations of County and Sheriff, any alternation, improvement or repairs or additions which County and Sheriff may make or permit or cause to be made, or any work or construction, by, for, or permitted by County and Sheriff on or about the premises, or any obligations of any kind incurred by County and Sheriff. County and Sheriff shall at all times promptly and fully pay and discharge any and all claims on which any such lien may or could be based and shall indemnify lessor and all of the premises and all the buildings and improvements thereon against all such liens and claims of liens and suits or other proceedings pertaining thereto. County and Sheriff shall give Lessor written notice no less than 30 days in advance of the commencement of any

construction, alteration, addition, improvement, or repair so Lessor may post appropriate notices of Lessor's non-responsibility.

b. If County and Sheriff desire to contest any such lien, it shall notify Lessor of its intention to do so within 20 days after the filing of such lien. In such case, and provided that County and Sheriff shall on demand protect Lessor by a good and sufficient surety bond against any such lien and any cost, liability or damage arising out of such contest, County and Sheriff shall not be in default hereunder until 15 days after the final determination of the validity thereof, within which time County and Sheriff shall satisfy and discharge such lien to the extent held valid. However, the satisfaction and discharge of any such lien shall not, in any case, be delayed until execution is had on any judgment rendered thereon, and such delay shall be a default of County and Sheriff hereunder. In the event of any such contest, County and Sheriff shall protect and indemnify Lessor against all loss, expense, and damage resulting there from.

Section 9. Premises Destruction.

The damage, destruction, or partial destruction of the premises or any current improvement thereon shall not release County and Sheriff from any obligation under this lease unless expressly provided. In case of damage to or destruction of any building or improvement, County and Sheriff shall at its own expense promptly repair and restore the same to condition as good or better than that which existed prior to such damage or destruction. Without limiting such obligations of County and Sheriff, it is agreed that the proceeds of any insurance covering such damage or destruction shall be made available to County and Sheriff for such repair or replacement.

Section 10. Insurance County and Sheriff shall, at all times during the term of this lease and at County and Sheriff's sole expense, keep all improvements that are now or hereafter a part of the premises insured against loss or damage by fire or other accidental loss and the extended coverage hazards for not less than the appraisal value of the property, naming Lessor as an additional insured and with the loss payable to Lessor and County and Sheriff as their interest may appear. Any loss adjustment shall require the written consent of both Lessor and County and Sheriff.

All of the policies of insurance referred to in this section shall be written in form satisfactory to City and by insurance companies satisfactory to City. County and Sheriff shall pay all the applicable premiums therefore and deliver such policies or certificates thereof, to City and in the event of failure of County and Sheriff, either to effect such insurance in the names herein called for or to pay the premiums therefore or to deliver such policies, or the certificates thereof, to City the lease shall be terminated and County and Sheriff shall immediately vacate the lease premises. City shall be entitled, but shall have no obligation, to affect such insurance and pay the premiums therefore, which premiums shall be repayable to City. Failure to repay the same shall be considered default. Each insurer mentioned in this section shall agree, by endorsement on the policy or policies issued by it, or by independent instrument furnished to City, that will give to City 30 days' written notice before the policy or policies in question shall be altered or canceled. City agrees that it will not unreasonably withhold its approval as to the form or to the insurance companies selected by County and Sheriff.

Section 11. Indemnification. County and Sheriff agree to indemnify, hold harmless, and defend Lessor of, from and against all liability and expense, including reasonable attorney's fees, in connection with any and all claims whatsoever for personal injuries or property damage caused by the negligent or deliberate act or omission of the County and Sheriff, its agents, officers, subcontractors, employees, materialmen, and independent contractors. Nothing contained herein shall be construed to waive either party's immunity from liability under the doctrine of sovereign immunity in the Florida Constitution, common law, or Section 768.28, Florida Statutes as amended from time to time.

Section 12. Right of Entry. Under reasonable time and reasonable circumstances, the City shall have the right to enter and make an inspection of the lease premises.

Section 13. Improvements as Property of City. All alterations and additions to the lease premises shall remain on the premises and become the property of City on the termination of this Lease.

Section 14. Duty to Keep Premises Free of Liens and Mortgages. County and Sheriff shall keep all of the lease premises and every part thereof and all buildings and other improvements at any time located thereon free and clear of any and all mortgages, mechanics', materialman's, and other liens for or arising out of or in connection with work or labor done, services performed, or materials or appliances used or furnished for or in connection with any operations of County and Sheriff, any alteration, improvement, or repairs or additions which County and Sheriff may make or permit or cause to be made, or any work or construction, by, for, or permitted by County and Sheriff on or about the premises, or any obligations of any kind incurred by County and Sheriff. County and Sheriff shall at all times promptly and fully pay and discharge any and all claims on which any such lien may or could be based, and shall indemnify City and all of the premises and all the buildings and improvements thereon against written notice no less than 30 days in advance of the commencement of any construction, alteration, addition, improvement, or repair so City may post appropriate notice of City's non-responsibility.

If County and Sheriff desire to contest any such lien or mortgage, it shall notify City of its intention to do so within 20 days after the filing of such lien. In such case, and provided that County and Sheriff shall on demand protect City by a good and sufficient surety bond against any such lien and any cost, liability, or damage arising out of the validity thereof, within which time County and Sheriff shall satisfy and discharge such lien to the extent held valid. However, the satisfaction and discharge of any such lien shall not, in any case, be delayed until execution is had on any judgment rendered thereon, and such delay shall be a default of County and Sheriff hereunder. In the event of any such contest, County and Sheriff shall protect and indemnify City against all loss, expense, and damage resulting therefrom.

Section 15. Compliance with State and Local Laws. County and Sheriff shall comply with applicable state and local laws governing the use and occupancy of the lease premises. Violation of state laws or the ordinances of the City of Destin or County of Okaloosa may be considered as cause for termination of this Lease.

Section 16. Lease Premises on Termination. On the termination of this Lease for any reason, City shall have full authority to re-enter and take full possession of the lease premises without the necessity of obtaining legal process. Upon reentry, City may remove all persons and property from the lease premises; and such property may be removed and stored in a public warehouse or elsewhere at the cost of, and for the account of the County and Sheriff. County and Sheriff stipulates that City shall not be liable to prosecution or for damages for resuming possession of lease premises.

Section 17. Waiver of Breach. The waiver by City of, or the failure of City to take action with respect to any breach of any term, covenant, or condition herein contained shall not be deemed to be a waiver of such term, covenant, or subsequent breach of the same, or any other term, covenant, or condition therein contained. The subsequent acceptance of rent hereunder by City shall not be deemed to be a waiver of any such preceding breach by County and Sheriff of any term, covenant, or condition of this Lease, other than the failure of County and Sheriff to pay the particular rental so accepted, regardless of City's knowledge of such preceding breach at the time of such acceptance of such rent.

Section 18. Attorney's Fees. In any dispute or action relating to this Lease, each party shall be responsible for its own attorney's fees and cost.

Section 19. Each Provision Material Condition. Each term of this Lease is material. A breach by County and Sheriff of any one of the terms of this Lease shall be considered to be a material breach of the entire Agreement and shall be grounds for the termination of the entire Agreement by City.

Section 20. Governing Law. All applicable local and state laws, rules, and regulations shall govern both the City and County and Sheriff. The parties intend that this Lease and the relationship of the parties shall be governed by the laws of the State of Florida. Venue for any action arising out of this Lease shall be exclusively in Okaloosa County, Florida, and no where else.

Section 21. Severability. If any section, subsection, term or provision of this Lease or the application thereof to any party or circumstance shall, to any extent, be invalid or unenforceable, the remainder of said section, subsection, term or provision of this Lease or the application of same to parties or circumstances other than those to which it was held invalid or unenforceable, shall not be affected thereby and each remaining section, subsection, term or provision of this Lease shall be valid or enforceable to the fullest extent permitted by law.

Section 22. Sovereign Immunity. Nothing contained herein is intended to nor shall be construed to waive the City of Destin's, Okaloosa County's and Okaloosa County Sheriff Department's rights and immunities under the Florida Constitution, common law or Florida Statutes 768.28, as amended from time to time.

Section 23. Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provision of this Agreement.

Section 24. Entire Agreement. This is the entire Agreement between the parties and any other amendments to this Agreement shall be made in writing.

Section 25. Binding of Successors. This Lease shall bind the successors, assigns, and legal representatives of County and Sheriff and of any legal entity that succeeds to the obligations of City.

Section 26. Agreement Not Recordable: Persons Bound: Neither this Lease nor any notice of it shall be recorded in any public records.

Section 27. Headings: The headings of sections are for convenient reference only and shall not be deemed to limit, construe, affect, modify or alter the meaning of such sections or subsections.

Section 28. Notices. All notices under the Lease shall be in writing and shall be effective when mailed by certified mail, return receipt requested, or when delivered personally, as provided hereafter, or to such other persons or addresses as may be designated by notice:

TO CITY:
Gregory A. Kisela
City Manager
City of Destin
4200 Two Trees Road
Destin, Florida 32541

TO COUNTY:
James D. Curry
County Administrator
1804 Lewis Turner Blvd
Suite 400
Fort Walton Beach, FL 32547

TO SHERIFF:
Charles W. Morris
Sheriff
1250 N. Eglin Pkwy
Shalimar, FL 32579

EXECUTED this 20th day of August, 2007.

WITNESS: Larry Williger
PRINTED NAME: LARRY WILLIGER

WITNESS: Anastas Pazevic
PRINTED NAME: ANASTAS J. PAZEVIC

LESSOR:
CITY OF DESTIN, FLORIDA

Craig H. Barker
By: CRAIG H. BARKER
Its: Mayor

Attest: (seal)

Rey Bailey

REY BAILEY
City Clerk

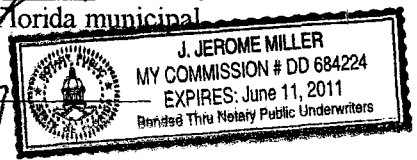
Approved as to Legal Form and
sufficiency:

J. Jerome Miller
J. JEROME MILLER
City Attorney

STATE OF FLORIDA
COUNTY OF OKALOOSA

The foregoing lease was acknowledged before me this 20th day of August, 2007, by
Craig H. Barker, as Mayor, and Rey Bailey, as City Clerk of the City of Destin, a Florida municipal
corporation.

J. Jerome Miller
NOTARY PUBLIC



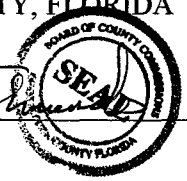
Personally Known OR Produced Identification Type of Identification Produced _____

WITNESS: _____
PRINTED NAME: _____

WITNESS: _____
PRINTED NAME: _____

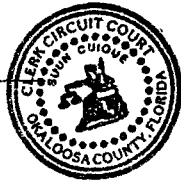
LESSEE:
OKALOOSA COUNTY, FLORIDA

Don Amunds
By DON AMUNDS
Its: BCC Chairman



Attest: (seal)

Don W. Howard
DON W. HOWARD
County Clerk



Approved as to Legal Form and
sufficiency:
John Dowd, Sr.
JOHN DOWD, SR.
County Attorney

All approval: September 18, 2007

STATE OF FLORIDA
COUNTY OF OKALOOSA

The foregoing lease was acknowledged before me this 25th day of Sept, 2007, by Don Amunds, as BCC Chairman, and ~~Don W. Howard~~ as County Clerk of Okaloosa County, a Florida governmental entity.

Larry Stanford Deputy



Wanda L. Glass
Commission # DD576753
Expires August 19, 2010
Bonded Troy Fair - Insurance, Inc. 800-385-7019

Wanda L. Glass
NOTARY PUBLIC

Personally Known OR Produced Identification ___ Type of Identification Produced _____

WITNESS: [Signature]
PRINTED NAME: Michael Corp

WITNESS: [Signature]
PRINTED NAME: Larry Ashley

LESSEE:
OKALOOSA COUNTY SHERIFF'S
OFFICE

[Signature]
By: Charles W. Morris
Its: Sheriff

Approved as to Legal Form and
sufficiency:

[Signature]
JIM MURRAY
Okaloosa County Sheriff's Office
Attorney

STATE OF FLORIDA
COUNTY OF OKALOOSA

The foregoing lease was acknowledged before me this 7th day of Sept, 2007, by Charles W. Morris, as Sheriff, of Okaloosa County Sheriff's Office.

Debra A. Barrineau
NOTARY PUBLIC

Personally Known OR Produced Identification ___ Type of Identification Produced _____

