

EXHIBIT B

CONTRACT, LEASE, AGREEMENT CONTROL FORM

Date: 11/6/2008 *1/12/09*

Admin Bought

Contract/Lease Control #: L08-0350-SO

Investigations Bldg

Bid #: N/A

Contract/Lease Type: EXPENDITURE

Award To/Lessee: OKALOOSA COUNTY SHERIFF

Lessor: SHADEVCO, LLC.

Effective Date: MAY, 2008 *June 01, 2008*

Term: 5/31/2013 *December 31, 2012*

Cost. \$ 577,500

Description of Contract/Lease: 60 2ND STREET, BLDG. #5 & 8, SHALIMAR, FL

Ja

Department Manager: SHERIFF OFFICE

Department Monitor: C. MORRIS/SANDY NORRIS

Monitor's Telephone #: 609-3053

Monitor's FAX #: 609-2086

Date Closed: _____

Cc: Finance Dept Contracts & Grants Division

Sheriff



Larry Ashley, Okaloosa County Sheriff

1250 Eglin Parkway • Shalimar, Florida 32579-1234
Phone: (904) 631-7400 • E-mail: sheriff@sheriff-okaloosa.org

04 JUN 12

**LEASE # L08-0350-SO
SHADEVCO, LLC
60 2ND STREET, BLDGS #5 & 8,
SHALIMAR SPACE LEASE
EXPIRES: 05/31/2013**

VIA HAND DELIVERY

Gloria K. Frazier
American Realty of Northwest Florida, Inc.
1270 N. Eglin Pkwy., Ste. A-15
Shalimar, FL. 32579

RE: Leased Premises: 60 2d St., Buildings #5 and #8, Shalimar, FL. 32579
Lessor: SHADEVCO, LLC
Lessee: Okaloosa County Board of Commissioners & OCSO

Dear Ms. Frazier,

This is to memorialize my conversation with you and Rese Ammons on TU 22 MAY 12 at your office in Shalimar, FL., concerning the lease of 60 2d St., Buildings 5 and 8, in Shalimar, FL., by the OCSO from SHADEVCO, LLC.

We agreed that the termination of the lease will be 31 MAY 13. The other ending dates in the lease appear to be clerical errors and it was the intent of the signors that the lease would run for five years: MAY 08 – MAY 13.

We also discussed maintenance issues and OCSO's inability to communicate such issues. This has been resolved with the designated point of contact, Ms. Rese Ammons, with ERA Realty.

OCSO's desire to extend the lease beyond MAY 13 is predicated upon several factors:

1. The county plans for the existing Shalimar Courthouse Annex and the extent to which OCSO may utilize space at that facility. Concomitant with these plans will be the extent to which such available space will be renovated and the time frame for the completion of said renovations.
2. SHADEVCO's willingness to assume responsibility for maintenance beyond the limitations of the current lease. Such items include those issues which affect the habitability of the premises, including, but not limited to air conditioning, and damage from water intrusion.
3. SHADEVCO's willingness to enter into a lease for shorter intervals.
4. SHADEVCO's willingness to reduce the current amount of rent to not greater than \$4.00 per square foot.



The Okaloosa County Sheriff's Office is accredited by the
Commission for Florida Law Enforcement Accreditation.

"The Okaloosa County Sheriff's Office provides equal access and equal
opportunity in employment and services and does not discriminate"

As stated, OCSO's desire to extend the lease is based upon several factors which can be discussed closer to the termination date of the lease.

As per our conversation, attached, please find a copy of the inspection report by Ace Inspections.

Thank you for your time and consideration in this matter.

Respectfully submitted,



S.B. Griggs, DDAdmin

RESE AMMONS
PROPERTY MGR

DTE - Bldg #5

08 MAY 27 PM 02:03

RESE AMMONS

GLORIA FRAZIER
PRESIDENT/BROKER

Investigations Bldg #8

LEASE AGREEMENT

RESE.AMMONS@
ERA-AMERICAN.COM
609-6000
803-847360

THIS LEASE is made and entered into this 9th day of May, 2008 between Shadevco LLC [Lessor] and Okaloosa County Board of Commissioners. [Lessee].

WHEREAS, Lessor is the owner of the property located at 60 2nd Street; and

WHEREAS, Lessor has agreed to lease a portion of this property, more particularly described as 60 2nd Street Building #5 and #8, Shalimar, FL 32579, consisting of approximately 10,800 sq. ft. ("Leased Premises"), to the Lessee subject to the terms and conditions stated herein, and

WHEREAS, Lessee desires to lease the Leased Premises from the Lessor.

NOW THEREFORE, in consideration of the terms and conditions set forth herein, the parties agree as follows:

1. Leased Premises: Subject to the terms and conditions of this Lease, the Lessor hereby leases to the Lessee and the Lessee leases from the Lessor the Leased Premises. During the term of the Lease Lessee shall have the right in common with other occupants of space within the Destin Business Center to use the customer parking area and atrium located at the office site.
2. Term of Lease: This lease shall be for a period of 5 years commencing on June 1, 2008 and terminating December 31, 2012.
3. Rent: Lessee agrees to pay Lessor \$ 630,000 as rent and prorated share of utilities for the leased premises as follows:
 - (a) The sum of \$ 9,000 per month (figured as \$10.00 per square foot per year) beginning on June, 2008 through May 31, 2013. The lease payment shall be payable monthly, in advance, on or before the first day of each month. *
 - (b) The sum of \$ 1,500 per month for prorata share of water, sewer, garbage and electricity is due monthly, in advance, on or before the first day of each month.
 - (c) A late payment fee of five (5%) percent of the payment due will be added to any payment made five (5) or more business days late.
 - (d) Lessee is sales tax exempt.

HAS BLD
6/50
N/A
4/50

T/C - BY MAIL DELIVERED @ MSB 10 MAY 12
E/M - AMMONS 10 MAY 12
T/C - AMMONS 11 MAY 12 / 1002 @ MSB
T/C - AMMONS 14 MAY 12 / 1054 - MTG FR. 18 MAY 12 / 0400
T/C - AMMONS 18 MAY 12 / 0845 - RESCHEDULE

4. Security Deposit: Lessee shall pay to the Lessor the amount of \$2,500.00 (transferred from previous lease) Dollars as a security deposit. Lessor may apply the security deposit to any reasonable and substantial damage claim against Lessee, any reasonable cleaning required to be done beyond normal wear and tear, and to any unpaid bills or unpaid rent due the Lessor. Lessor shall refund to Lessee the security deposit, or unused portion of it, if any, within fifteen days after the Lessee surrenders possession of the Leased Premises to Lessor at the expiration of this Lease. Lessee shall be personally liable for any damage caused by the Lessee which is not covered by the deposit. Lessee's security deposit shall not be construed as unpaid rent owed by Lessee. If the Lessee surrenders the Leased Premises before the term of the Lease expires, then Lessee shall forfeit the security deposit.
5. Use of Leased Premises: Lessee agrees that the business to be operated by it on the Leased Premises will not be operated in such a manner as to constitute a nuisance or a hazard and that in connection with the operation of the business the Lessee will observe and comply with all applicable laws, ordinances, orders and regulations prescribed by lawful authority having jurisdiction over the business operated in the Leased Premises. The Leased Premises may be used only as a location for operation of the Lessee's normal business activities and for no other purpose.
- ✓ 6. Repairs and Alterations: Lessor will maintain and keep the Leased Premises in good state of repair. **Lessee will be responsible for all maintenance, upkeep and repair of the interior of the building.** In addition, Lessee will be responsible for maintenance and repair of damage resulting from misuse or negligence by the Lessee, its servants, employees, agents, or licensees. **Lessor will maintain the exterior of the Leased Premises to include the parking lot, common areas, and roof.**
7. Utilities: Lessee shall be responsible for telephone, cable television and any other utility not paid for by Lessor. The Lessor pays for : Electric, Water, Sewer, Garbage.
8. Signs: Lessee shall have the right to erect and maintain a sign on the premises the size, type and location of which is subject to all governmental regulations and Lessors' prior approval, which Lessors' approval shall not be unreasonably withheld, delayed or conditioned.
- ✓ 9. Taxes: Lessee shall pay during the lease term all taxes levied against the Leased Premises by appropriate governmental authorities, except for ad valorem taxes. Lessor shall pay all ad valorem taxes. Lessee shall pay all taxes levied against any stock or merchandise, raw material, furniture, furnishings, equipment, inventory and other property located in, on or upon the Leased Premises. Upon timely receipt of written notice by Lessor to Lessee advising Lessee of taxes due, Lessee shall pay such taxes before any fine, penalty, interest or cost may be added thereto for non-payment or late payment. Lessee shall pay the cost of any sales tax assessed against the lease fee, as an additional monthly payment as referenced in Section 3(c).

10. Liability Insurance; Indemnification: Lessee agrees to indemnify and save harmless the Lessors from any claim or loss by reason of an accident or damage to any person or property happening in or on the leased premises. Notwithstanding the foregoing, the Lessee does not indemnify the Lessor for any act of negligence by Lessors. Lessee shall carry, at its expense, public liability insurance coverage on all of the leased premises, naming Lessors as additional insured, in a company qualified to transact business in the State of Florida, stipulating limits of liability of not less than \$300,000.00 for an accident affecting any one person; and not less than \$500,000.00 for an accident affecting more than one person; and \$100,000.00 property damage. A certificate of such coverage from the insurer providing 30 days notice to Lessors prior to cancellation or termination shall be furnished to Lessors.

✓ 11. Damage: If the Leased Premises is damaged by fire or other casualty to the extent of twenty-five (25%) percent or more, the Lessor shall have the option to rebuild and repair the Leased Premises or to terminate this lease; if damaged to a lesser extent, the Lessors will rebuild and repair. In the event of damage by fire or other casualty, the rent payable under this lease shall abate, in proportion of the impairment of the use that can reasonably be made of the property for the purpose permitted by this lease, until the property is rebuilt and repaired (or until the lease is terminated, if terminated in accordance with this paragraph).

✓ 12. Default: In the event of default by Lessee in the payment of any rent due upon the day when the rent becomes due and payable and such default continues for five (5) business days, or in case default shall be made by the Lessee in the performance of any of the other terms, conditions or covenants of the lease by the Lessee to be performed, and the default continues for a period of five (5) business days, then the Lessor may enter into and upon the Leased Premises or any part thereof and repossess the same with or without terminating this lease, and without prejudice to any of their remedies for rents or breach or covenant, and in any such event may, at their option, terminate the lease by giving written notice of their election to do so, or may, at their option, let the premises or any part thereof, or otherwise (giving Lessee credit on all amounts due hereunder for rents collected for the account of Lessee). The foregoing rights and remedies given to the Lessor are and shall be deemed to be cumulative, and the exercise of one shall not be deemed to be an election, excluding the exercise by the Lessor at any other time of a different or inconsistent remedy, and shall be deemed to be given to the Lessor in addition to any other and further rights granted to the Lessor by the terms of any paragraph herein, or by law, and the failure upon the part of the Lessor at any time exercise any rights or remedy hereby given to them shall not be deemed to operate as a waiver by them of their right to exercise such right or remedy at any other or future time, and neither Lessee nor its successors or assigns shall remove their goods, inventory, wares, merchandise, furniture, fixtures and equipment from the leased premises until the terms of this lease and any renewal thereof is satisfied in full nor until all rental and other monies required to be paid by the Lessee shall be paid in full for the full and faithful performance of the covenants and agreements herein agreed to be done and performed; and the Lessee, or its

successors or assigns, shall pay all reasonable costs, expense or charges including the reasonable attorney's fee in any proceeding begun or had to enforce the provisions of this lease or in collecting the sum secured hereby and the same shall become a part of the said sum so secured. Lessor shall have the right of acceleration of the amount owed for the unexpired term of this Lease, after default

In the event the Lessor defaults in the performance of any of the other terms, conditions or covenants of the lease, and the default continues for a period of five (5) business days after Lessee has notified Lessor in writing of such default, Lessee shall have all rights and remedies in equity or at law.

13. Eminent Domain: If all or any part of the Leased Premises, including the building or other improvements, shall be taken under a power of eminent domain, the entire compensation or proceeds awarded for the taking of the buildings and improvements shall belong to Lessors. If the taking is to such an extent that it is impracticable for Lessee to continue the operation of its business on the Leased Premises, the lease, at the option of the Lessee, shall terminate. If Lessee elects not to exercise its right and option to terminate, the lease shall continue in full force and effect except that the rental due hereunder shall be reduced in a manner which is fair and reasonable, and in proportion to said reduction.
14. Bankruptcy: Lessee covenants and agrees that if, at any time Lessee or any guarantor of this Lease, is adjudged a bankrupt or insolvent under the laws of the United States or of any state, or makes a general assignment for the benefit of creditors, or if a receiver of the property of the Lessee is appointed and shall not be discharged within 30 days after such appointment, then the Lessor may, at his option, declare the term of this lease at an end and shall forthwith be entitled to immediate possession of the premises.
15. Lease Subordinate to Mortgage: Lessee agrees that this Lease shall at all times be subject and subordinate to the lien of any mortgage (which term shall include all security instruments) that may be placed on the Leased Premises by the Lessor; and Lessee agrees, upon demand, to execute any instrument as may be required to effectuate such subordination.
16. Title to Premises: Lessor covenants that it is the owner in fee simple of the Leased Premises and has authority to enter into this lease agreement with Lessee.
17. Entry of Lessor: Lessor may enter the Leased Premises during business hours upon twenty-four (24) hours notice to Lessee:
 - (a) to inspect or protect the premises.
 - (b) to determine whether the Lessee is complying with the applicable laws, orders, regulations of any unlawful authority having jurisdiction over the premises or any business conducted therein.
 - (c) to exhibit the premises to any prospective purchaser or tenant.

18. Removal of Property at End of Lease: Lessee shall be entitled to remove the equipment and other items placed on the premises by Lessee so long as such removal shall not damage the Leased Premises. Any damage occasioned by such removal or vacating of the Leased Premises shall be the responsibility of the Lessee.
19. Ownership of Improvements at Lease Expiration: At the expiration of the lease, the improvements to the Leased Premises, including interior walls, carpeting, bathroom fixtures and other fixtures shall become the sole property of the Lessor, except that all trade fixtures, signs and personal property used by the Lessee in the operation of its business on the leased premises shall remain Lessee's sole property and Lessee shall have the right to remove the same provided any damage in removal is repaired by Lessee.
20. Hazardous Materials
- (a) Lessor warrants that to its knowledge (i) the building, the land, the parking lots and the premises do not contain any hazardous materials (as there are no notices, citations, violations, notifications or penalties issued by any governmental authority with respect to the presence of hazardous materials at the building, the land, the parking lot and/or the Leased Premises).
- (b) If (i) during the prosecution of Lessee's work or any alterations (as defined herein) or otherwise during the term, Lessee discovers any hazardous materials and (ii) the same were not introduced into the building by Lessee or anyone acting under Lessee, then, and in such events Lessor, at its expense, shall promptly take such action as is required by all applicable legal requirements to remove and/or encapsulate such hazardous materials and, if necessary, replace the same with substances and materials that are not hazardous materials and shall restore any damage to the Leased Premises (including Lessee's work and all alterations) caused by such encapsulation, removal, and/or replacement. If, as a result of the presence of hazardous materials that were not introduced into the building by Lessee, the whole or any portion of the Leased Premises is rendered untenable and Lessee ceases to use the Leased Premises (or such portion) for the conduct of Lessee's business (even though Lessee's alterations and Lessee's property remain therein), then base rent and additional rent shall abate in whole (if the entire Premises is rendered untenable) during the period commencing on the first day of such untenability and ending on the earlier of (1.) the date on which all of the hazardous materials have been removed, encapsulated and/or replaced (as the case may be) and all damage to the Leased Premises (including Lessee's work and all alterations) have been repaired or (2.) the date upon which Lessee again begins using the Leased Premises (or the Lessee shall notify Lessor in writing of the existence of any hazardous materials in the Leased Premises promptly after Lessee becomes aware of same, regardless of whether or not such hazardous materials were brought into the Leased

Premises by Lessee or anyone acting under or through Lessee except that Lessee shall not be obligated to notify Lessor of any Hazardous materials used by Lessee in the Leased Premises in connection with the operation of Lessee's day to day business operations in the Leased Premises, as long as all such hazardous materials are used, handled, stored and disposed of in compliance with all applicable legal requirements

21. Notices and Reports: Any notice, report, statement, approval, consent or election to be exercised by a party under the provisions of this Lease shall be effective only when made in writing and delivered (posting on Leased Premises or mailed by registered or certified mail with postage prepaid) to the other party at the address given below:

Lessor: Shadevco LLC
 C/O American Realty of Northwest Florida, Inc
 1270 N. Eglin Parkway
 Shalimar, FL 32579

Lessee: Okaloosa County Board of Commissioners
 1804 Lewis Turner Blvd
 Fort Walton Beach, FL 32547

provided, however, that either party may designate a different address from time to time by giving to the other party notice in writing of the change. Rental payments to the Lessor shall be made by the Lessee to the Lessor at the above address. All notices that are required to be given for violations of the lease will be posted on the "leased premises".

22. Entire Agreement: This lease contains all of the understandings between the parties relative to the leasing of the Leased Premise, and all prior or contemporaneous agreements, relative thereto have been merged herein or are voided by this instrument, which may be amended, modified, altered, changed, revoked or rescinded in whole or in part only by an instrument in writing signed by each of the parties hereto.
23. Assignment and Subletting: The Lessee shall not assign this lease or sublet the leased premises or any portion thereof, or otherwise transfer any right or interest hereunder without the prior written consent of the Lessors which consent shall not be unreasonably conditioned, delayed or withheld. If the Lessor consents to the assignment, subletting or other transfer of any right or interest hereunder by the Lessee, such approval shall be limited to the particular instance specified in the consent and the Lessee shall not be relieved of any duty, obligation or liability under the provisions of this lease. The Lessor will not unreasonably refuse the subletting or assignment of the leased premises to a qualified third party, given that the party agrees to at least the same terms of this original lease.
24. Binding Effect: The terms and provisions of this lease shall be binding on the parties and their respective heirs, successors, assigns and personal representatives

IN WITNESS WHEREOF, the parties have set their hands and seals the day and year first above written.

Signed
in the presence of:

Kathryn M. Spick
WITNESS KATHRYN M. SPICKER

Paula J. Sherman
WITNESS PAULA J. SHERMAN

LESSOR:

Gloria K. Prazier
By: Gloria K. Prazier, Shadecove LLC
As: Managing Partner

LESSEE:

Willard
WITNESS _____

Delrue Barrineau
WITNESS Delrue Barrineau

Charlie Morris
By: _____
As: _____

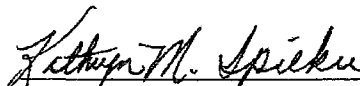
Lease Agreement Signature Page Addendum

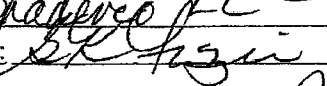
IN WITNESS WHEREOF, the parties have set their hands and seals the day and year first above written.


Signed

In the presence of:

LESSOR:


WITNESS KATHRYN M. SPIEKER

Shadeco LLC
By: 
As: Managing Partner


WITNESS J. David Hughes

LESSEE:

Frankie Revell
WITNESS Frankie Revell

Jan Carroll
By: Jan Carroll
As: Chair DEBC

Ly [Signature]
WITNESS Ly [Signature]

L08-0350-SO REVISION TO PAGE#1
SHADEVCO, LLC.
60 2ND ST. BLDG.# 5 & 8 SHALIMAR
SHERIFF DEPT. SPACE LEASE
EXPIRES: 12/31/2012

LEASE AGREEMENT
Revisions to Page One - January 09, 2009

THIS LEASE is made and entered into this 28th day of April, 2008 between Shadevco LLC [Lessor] and Okaloosa County Board of Commissioners. [Lessee].

WHEREAS, Lessor is the owner of the property located at 60 2nd Street; and

WHEREAS, Lessor has agreed to lease a portion of this property, more particularly described as 60 2nd Street Building #5 and #8, Shalimar, FL 32579, consisting of approximately 10,800 sq. ft. ("Leased Premises"), to the Lessee subject to the terms and conditions stated herein, and

WHEREAS, Lessee desires to lease the Leased Premises from the Lessor.

NOW THEREFORE, in consideration of the terms and conditions set forth herein, the parties agree as follows:

1. **Leased Premises:** Subject to the terms and conditions of this Lease, the Lessor hereby leases to the Lessee and the Lessee leases from the Lessor the Leased Premises. During the term of the Lease Lessee shall have the right in common with other occupants of space within the Destin Business Center to use the customer parking area and atrium located at the office site.
2. **Term of Lease:** This lease shall be for a period of ~~5 years~~ **4 years and 7 months** commencing on ~~May 15, 2008~~ **June 01, 2008** and terminating ~~May 14, 2013~~ **December 31, 2012**.
3. **Rent:** Lessee agrees to pay Lessor \$ ~~630,000~~ **577,500** as rent for the leased premises as follows:
 - (a) The sum of \$ 9,000 per month (figured as \$10.00 per square foot per year divided by 12 months) (see sec. 3d) beginning on ~~May 15, 2008~~ **June 01, 2008** through ~~May 14, 2013~~ **December 31, 2012**. The lease payment shall be payable monthly, in advance, on or before the first day of each month.
 - (b) The sum of \$1,500 per month for prorata share of water, sewer, garbage and electricity is due monthly, in advance, on or before the first day of each month.
 - (c) A late payment fee of five (5%) percent of the payment due will be added to any payment made five (5) or more business days late.
 - (d) Lessee is sales tax exempt.

LEASE AGREEMENT

ORIGINAL

THIS LEASE is made and entered into this 9th day of May, 2008 between Shadevco LLC [Lessor] and Okaloosa County Board of Commissioners. [Lessee].

WHEREAS, Lessor is the owner of the property located at 60 2nd Street ; and

WHEREAS, Lessor has agreed to lease a portion of this property, more particularly described as 60 2nd Street Building #5 and #8, Shalimar, FL 32579, consisting of approximately 10,800 sq. ft. ("Leased Premises"), to the Lessee subject to the terms and conditions stated herein, and

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2. Term of Lease: This lease shall be for a period of 5 years commencing on June 1, 2008 and terminating ~~December 31, 2012~~ May 31, 2013.
3. Rent: Lessee agrees to pay Lessor \$ 630,000 as rent and prorated share of utilities for the leased premises as follows:
 - (a) The sum of \$ 9,000 per month (figured as \$10.00 per square foot per year) beginning on June, 2008 through May 31, 2013. The lease payment shall be payable monthly, in advance, on or before the first day of each month.
 - (b) The sum of \$1,500 per month for prorata share of water, sewer, garbage and electricity is due monthly, in advance, on or before the first day of each month.
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 - (d) Lessee is sales tax exempt. ✓

4. Security Deposit: Lessee shall pay to the Lessor the amount of \$2,500.00 (transferred from previous lease) Dollars as a security deposit. Lessor may apply the security deposit to any reasonable and substantial damage claim against Lessee, any reasonable cleaning required to be done beyond normal wear and tear, and to any unpaid bills or unpaid rent due the Lessor. Lessor shall refund to Lessee the security deposit, or unused portion of it, if any, within fifteen days after the Lessee surrenders possession of the Leased Premises to Lessor at the expiration of this Lease. Lessee shall be personally liable for any damage caused by the Lessee which is not covered by the deposit. Lessee's security deposit shall not be construed as unpaid rent owed by Lessee. If the Lessee surrenders the Leased Premises before the term of the Lease expires, then Lessee shall forfeit the security deposit.
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6. Repairs and Alterations: Lessor will maintain and keep the Leased Premises in good state of repair. Lessee will be responsible for all maintenance, upkeep and repair of the interior of the building. In addition, Lessee will be responsible for maintenance and repair of damage resulting from misuse or negligence by the Lessee, its servants, employees, agents, or licensees. Lessor will maintain the exterior of the Leased Premises to include the parking lot, common areas, and roof.
7. Utilities: Lessee shall be responsible for telephone, cable television and any other utility not paid for by Lessor. The Lessor pays for : Electric, Water, Sewer, Garbage.
8. Signs: Lessee shall have the right to erect and maintain a sign on the premises the size, type and location of which is subject to all governmental regulations and Lessors' prior approval, which Lessors' approval shall not be unreasonably withheld, delayed or conditioned.
9. Taxes: Lessee shall pay during the lease term all taxes levied against the Leased Premises by appropriate governmental authorities, except for ad valorem taxes. Lessor shall pay all ad valorem taxes. Lessee shall pay all taxes levied against any stock or merchandise, raw material, furniture, furnishings, equipment, inventory and other property located in, on or upon the Leased Premises. Upon timely receipt of written notice by Lessor to Lessee advising Lessee of taxes due, Lessee shall pay such taxes before any fine, penalty, interest or cost may be added thereto for non-payment or late payment. Lessee shall pay the cost of any sales tax assessed against the lease fee, as an additional monthly payment as referenced in Section 3(c).

10. Liability Insurance; Indemnification: Lessee agrees to indemnify and save harmless the Lessors from any claim or loss by reason of an accident or damage to any person or property happening in or on the leased premises. Notwithstanding the foregoing, the Lessee does not indemnify the Lessor for any act of negligence by Lessors. Lessee shall carry, at its expense, public liability insurance coverage on all of the leased premises, naming Lessors as additional insured, in a company qualified to transact business in the State of Florida, stipulating limits of liability of not less than \$300,000.00 for an accident affecting any one person; and not less than \$500,000.00 for an accident affecting more than one person; and \$100,000.00 property damage. A certificate of such coverage from the insurer providing 30 days notice to Lessors prior to cancellation or termination shall be furnished to Lessors.
11. Damage: If the Leased Premises is damaged by fire or other casualty to the extent of twenty-five (25%) percent or more, the Lessor shall have the option to rebuild and repair the Leased Premises or to terminate this lease; if damaged to a lesser extent, the Lessors will rebuild and repair. In the event of damage by fire or other casualty, the rent payable under this lease shall abate, in proportion of the impairment of the use that can reasonably be made of the property for the purpose permitted by this lease, until the property is rebuilt and repaired (or until the lease is terminated, if terminated in accordance with this paragraph).
12. Default: In the event of default by Lessee in the payment of any rent due upon the day when the rent becomes due and payable and such default continues for five (5) business days, or in case default shall be made by the Lessee in the performance of any of the other terms, conditions or covenants of the lease by the Lessee to be performed, and the default continues for a period of five (5) business days, then the Lessor may enter into and upon the Leased Premises or any part thereof and repossess the same with or without terminating this lease, and without prejudice to any of their remedies for rents or breach or covenant, and in any such event may, at their option, terminate the lease by giving written notice of their election to do so, or may, at their option, let the premises or any part thereof, or otherwise (giving Lessee credit on all amounts due hereunder for rents collected for the account of Lessee). The foregoing rights and remedies given to the Lessor are and shall be deemed to be cumulative, and the exercise of one shall not be deemed to be an election, excluding the exercise by the Lessor at any other time of a different or inconsistent remedy, and shall be deemed to be given to the Lessor in addition to any other and further rights granted to the Lessor by the terms of any paragraph herein, or by law, and the failure upon the part of the Lessor at any time exercise any rights or remedy hereby given to them shall not be deemed to operate as a waiver by them of their right to exercise such right or remedy at any other or future time, and neither Lessee nor its successors or assigns shall remove their goods, inventory, wares, merchandise, furniture, fixtures and equipment from the leased premises until the terms of this lease and any renewal thereof is satisfied in full nor until all rental and other monies required to be paid by the Lessee shall be paid in full for the full and faithful performance of the covenants and agreements herein agreed to be done and performed; and the Lessee, or its

successors or assigns, shall pay all reasonable costs, expense or charges including the reasonable attorney's fee in any proceeding begun or had to enforce the provisions of this lease or in collecting the sum secured hereby and the same shall become a part of the said sum so secured. Lessor shall have the right of acceleration of the amount owed for the unexpired term of this Lease, after default.

In the event the Lessor defaults in the performance of any of the other terms, conditions or covenants of the lease, and the default continues for a period of five (5) business days after Lessee has notified Lessor in writing of such default, Lessee shall have all rights and remedies in equity or at law.

13. Eminent Domain: If all or any part of the Leased Premises, including the building or other improvements, shall be taken under a power of eminent domain, the entire compensation or proceeds awarded for the taking of the buildings and improvements shall belong to Lessors. If the taking is to such an extent that it is impracticable for Lessee to continue the operation of its business on the Leased Premises, the lease, at the option of the Lessee, shall terminate. If Lessee elects not to exercise its right and option to terminate, the lease shall continue in full force and effect except that the rental due hereunder shall be reduced in a manner which is fair and reasonable, and in proportion to said reduction.
14. Bankruptcy: Lessee covenants and agrees that if, at any time Lessee or any guarantor of this Lease, is adjudged a bankrupt or insolvent under the laws of the United States or of any state, or makes a general assignment for the benefit of creditors, or if a receiver of the property of the Lessee is appointed and shall not be discharged within 30 days after such appointment, then the Lessor may, at his option, declare the term of this lease at an end and shall forthwith be entitled to immediate possession of the premises.
15. Lease Subordinate to Mortgage: Lessee agrees that this Lease shall at all times be subject and subordinate to the lien of any mortgage (which term shall include all security instruments) that may be placed on the Leased Premises by the Lessor; and Lessee agrees, upon demand, to execute any instrument as may be required to effectuate such subordination.
16. Title to Premises: Lessor covenants that it is the owner in fee simple of the Leased Premises and has authority to enter into this lease agreement with Lessee.
17. Entry of Lessor: Lessor may enter the Leased Premises during business hours upon twenty-four (24) hours notice to Lessee:
 - (a) to inspect or protect the premises.
 - (b) to determine whether the Lessee is complying with the applicable laws, orders, regulations of any unlawful authority having jurisdiction over the premises or any business conducted therein.
 - (c) to exhibit the premises to any prospective purchaser or tenant.

18. Removal of Property at End of Lease: Lessee shall be entitled to remove the equipment and other items placed on the premises by Lessee so long as such removal shall not damage the Leased Premises. Any damage occasioned by such removal or vacating of the Leased Premises shall be the responsibility of the Lessee.
19. Ownership of Improvements at Lease Expiration: At the expiration of the lease, the improvements to the Leased Premises, including interior walls, carpeting, bathroom fixtures and other fixtures shall become the sole property of the Lessor, except that all trade fixtures, signs and personal property used by the Lessee in the operation of its business on the leased premises shall remain Lessee's sole property and Lessee shall have the right to remove the same provided any damage in removal is repaired by Lessee.
20. Hazardous Materials
- (a) Lessor warrants that to its knowledge (i) the building, the land, the parking lots and the premises do not contain any hazardous materials (as there are no notices, citations, violations, notifications or penalties issued by any governmental authority with respect to the presence of hazardous materials at the building, the land, the parking lot and/or the Leased Premises).
- (b) If (i) during the prosecution of Lessee's work or any alterations (as defined herein) or otherwise during the term, Lessee discovers any hazardous materials and (ii) the same were not introduced into the building by Lessee or anyone acting under Lessee, then, and in such events Lessor, at its expense, shall promptly take such action as is required by all applicable legal requirements to remove and/or encapsulate such hazardous materials and, if necessary, replace the same with substances and materials that are not hazardous materials and shall restore any damage to the Leased Premises (including Lessee's work and all alterations) caused by such encapsulation, removal, and/or replacement. If, as a result of the presence of hazardous materials that were not introduced into the building by Lessee, the whole or any portion of the Leased Premises is rendered untenable and Lessee ceases to use the Leased Premises (or such portion) for the conduct of Lessee's business (even though Lessee's alterations and Lessee's property remain therein), then base rent and additional rent shall abate in whole (if the entire Premises is rendered untenable) during the period commencing on the first day of such untenability and ending on the earlier of (1.) the date on which all of the hazardous materials have been removed, encapsulated and/or replaced (as the case may be) and all damage to the Leased Premises (including Lessee's work and all alterations) have been repaired or (2.) the date upon which Lessee again begins using the Leased Premises (or the Lessee shall notify Lessor in writing of the existence of any hazardous materials in the Leased Premises promptly after Lessee becomes aware of same, regardless of whether or not such hazardous materials were brought into the Leased

Premises by Lessee or anyone acting under or through Lessee except that Lessee shall not be obligated to notify Lessor of any Hazardous materials used by Lessee in the Leased Premises in connection with the operation of Lessee's day to day business operations in the Leased Premises, as long as all such hazardous materials are used, handled, stored and disposed of in compliance with all applicable legal requirements.

21. Notices and Reports: Any notice, report, statement, approval, consent or election to be exercised by a party under the provisions of this Lease shall be effective only when made in writing and delivered (posting on Leased Premises or mailed by registered or certified mail with postage prepaid) to the other party at the address given below:

Lessor: Shadevco LLC
 C/O American Realty of Northwest Florida, Inc
 1270 N. Eglin Parkway
 Shalimar, FL 32579

Lessee: Okaloosa County Board of Commissioners
 1804 Lewis Turner Blvd
 Fort Walton Beach, FL 32547

provided, however, that either party may designate a different address from time to time by giving to the other party notice in writing of the change. Rental payments to the Lessor shall be made by the Lessee to the Lessor at the above address. All notices that are required to be given for violations of the lease will be posted on the "leased premises".

22. Entire Agreement: This lease contains all of the understandings between the parties relative to the leasing of the Leased Premise, and all prior or contemporaneous agreements, relative thereto have been merged herein or are voided by this instrument, which may be amended, modified, altered, changed, revoked or rescinded in whole or in part only by an instrument in writing signed by each of the parties hereto.
23. Assignment and Subletting: The Lessee shall not assign this lease or sublet the leased premises or any portion thereof, or otherwise transfer any right or interest hereunder without the prior written consent of the Lessors which consent shall not be unreasonably conditioned, delayed or withheld. If the Lessor consents to the assignment, subletting or other transfer of any right or interest hereunder by the Lessee, such approval shall be limited to the particular instance specified in the consent and the Lessee shall not be relieved of any duty, obligation or liability under the provisions of this lease. The Lessor will not unreasonably refuse the subletting or assignment of the leased premises to a qualified third party, given that the party agrees to at least the same terms of this original lease.
24. Binding Effect: The terms and provisions of this lease shall be binding on the parties and their respective heirs, successors, assigns and personal representatives.

IN WITNESS WHEREOF, the parties have set their hands and seals the day and year first above written.

Signed
in the presence of:

Kathryn M. Spicker
WITNESS KATHRYN M. SPICKER

Paula J.P. Sherman
WITNESS PAULA J.P. SHERMAN

LESSOR:

Glenn Prazier
By: Glenn Prazier, Shadeville LLC
As: Managing Partner

LESSEE:

Willie R. P.
WITNESS _____

Delruth Bawmeau

WITNESS Delruth Bawmeau

Charlie Morris
By: _____
As: _____

Lease Agreement Signature Page Addendum

IN WITNESS WHEREOF, the parties have set their hands and seals the day and year first above written.

Signed

In the presence of:

LESSOR:

Kathryn M. Spieker
WITNESS KATHRYN M. SPIEKER

Shadeco LLC
By: [Signature]
As: Managing Partner

[Signature]
WITNESS J. Devin Hughes

LESSEE:

[Signature]
WITNESS Frankie Revell

[Signature]
By: [Signature]
As: Chairman

[Signature]
WITNESS [Signature]

BCC Approved
6/2/09

**BOARD OF COUNTY COMMISSIONERS
AGENDA REQUEST**

DATE: June 2, 2009
TO: Honorable Chairman & Members of the Board
FROM: Richard Brannon, Purchasing Department
SUBJECT: Lease Corrections
DISTRICT: All

REQUESTING DEPT: Purchasing

STATEMENT OF ISSUE: In staff conversation with a representative of the Sheriff's Office, it was discovered that 2 leases entered into by the Sheriff on behalf of the Board of County Commissioners had not been reviewed and approved by the Board (minutes were searched by Finance & Purchasing) at a Board meeting. This is a requirement by Board policy (copy attached) and State Statute 125.031. These items are brought to the Board for review and approval (copies are attached).

Item #1 - Lease #L08-0350-SO: A revised lease between Shadevo LLC and the County for buildings #5 and #8 (60 2nd St., Shalimar) 10,800 sq. ft. for use by the Sheriff (monthly cost \$10,500). This lease (5 years ending 12/31/2012) was presented to the Chairman for signature before it went through a review process and without being presented to the Board for approval (pictures attached).

Item #2 - Lease #L03-0223-SO: A lease renewal between J. D. Wingard Jr. and the County for a Firearms & Tactical Training Facility located at Oakcrest Farms & Groves, Crestview, FL (annual cost \$7,500). The original lease was entered into on August 29, 2003 for a five (5) year period. In August 2008, a new lease (5 years ending 08/31/2013) was issued by the Sheriff and taken to the Chairman for signature before review and approval by the Board.

OPTIONS: Approve or Reject.

RECOMMENDATION: Staff recommends approval of both leases with a caveat that both are reviewed by the County Attorney and that if any areas of concern are found, they be corrected with an amendment to the contract(s).

RECOMMENDED BY:

Mike S. [Signature]

Purchasing Director

REVIEWED BY:

J. [Signature]

Assistant County Administrator

APPROVED BY:

County Administrator