

**EXHIBIT B**

**CONTRACT, LEASE, AGREEMENT CONTROL FORM**

Date: 3/18/16

Contract/Lease Control #: L89-0031-BC30-10

Bid #: N/A

Contract/Lease Type: REVENUE

Award To/Lessee: EMERALD COAST BEACH MANAGEMENT, INC.

Lessor: OKALOOSA COUNTY

BOWZEI-650-4725

Effective Date: 10/25/88

Term: 25 YEARS/10/24/2013-BBC EXTENDED

12/31/2039

Description of Contract/Lease: LEASE PROPERTY AT JAMES LEE PARK (DESTIN)

Department Manager: ADMINISTRATIVE SERVICES

Department Monitor: J. CURRY

Monitor's Telephone #: 689-5007

Monitor's FAX #: 689-5025

Date Closed: \_\_\_\_\_

6/20/08 BOWZEI DEVELOPMENT  
P.O. Box 5497  
DESTIN, FL 32540

CERTIFIED A TRUE  
AND CORRECT COPY

JD PEACOCK II  
CLERK CIRCUIT COURT



BY *Jessica Ward*  
DEPUTY CLERK

DATE *March 18, 2016*

**SECOND AMENDMENT TO PUBLIC  
PARK LEASE BETWEEN OKALOOSA  
COUNTY AND EMERALD COAST  
BEACH MANAGEMENT, INC.**

This SECOND AMENDMENT TO PUBLIC PARK LEASE (the “Second Amendment”) is hereby entered into between the Board of County Commissioners of Okaloosa County (the “County”) and Emerald Coast Beach Management, Inc. (“Emerald Coast”).

WHEREAS, the Board of County Commissioners of Okaloosa County (the “County”) entered into Public Park Lease with Emerald Coast Beach Management, Inc. (“Emerald Coast”) on October 25<sup>th</sup>, 1988 for certain property at James Lee Park (the “Initial Lease”); and

WHEREAS, the term of the Initial Lease was for 25 years with a termination date of October 23, 2013; and

WHEREAS, the rental rate under the Initial Lease was \$12,500 per year payable in advance, with the rate increasing by twenty percent (20%) after each five (5) year period; and

WHEREAS, the Board of County Commissioners, at its meeting of October 29, 1996, extended the term of the Initial Lease for an additional five (5) years with a termination date of October 24, 2018 (the “First Amendment”); and

WHEREAS, the current rental rate under the First Amendment is \$31,104 per year, which will continue to be the rate until the termination date of October 24, 2018;

WHEREAS, the parties desire to amend the First Amendment to provide an additional extension of time for the expiration of the lease and to modify the rental rates to more closely address the market value of the leasehold interests.

NOW THEREFORE, the County and Emerald Coast do agree to amend the Initial Lease, as subsequently amended by the First Amendment, to provide as follows:

Section 1. Section 2 of the Initial Lease, as amended by the First Amendment, is hereby amended to read as follows in its entirety:

2. TERM: The term of this lease shall be extended from its current termination date of October 23, 2018 until December 31, 2039. Beginning January 1, 2016 each annual term of this lease shall be from January 1<sup>st</sup> through December 31 of the same year.

Section 2. Section 3 of the Initial Lease, as amended by the First Amendment, is hereby amended to read as follows in its entirety:

Section 3. RENT: Emerald Coast shall pay as rent in the following amounts:

1. For the period of October 25, 2015 through December 31, 2016, Emerald Coast, or its successors and assignees, shall pay the annual amount of \$31,104.00. If such amount has been paid to the County prior to the entry of this Second Amendment, then Emerald Coast shall receive a full credit for this amount.
2. The Rent under this Initial Lease, as amended, shall be as follows:
  - a. Beginning for the term of January 1, 2017 to December 31, 2021, and for the next four years thereafter, the base rent shall be \$250,000 per annum.
  - b. Beginning in annual term year of January 1, 2022 through December 31, 2022, and for the next four years thereafter, the base rent shall be increased each year by two percent (2%) per year.
  - c. Beginning in annual term year of January 1, 2027 through December 31, 2027, and for the next four years thereafter, the base rent shall be increased each year by three percent (3%) per year.

- d. Beginning in annual term year of January 1, 2032 through December 31, 2032 and through the end of the term on December 31, 2039, the base rent shall be increased each year by three and one half percent (3.5%) per year.
3. All annual payments for Rent shall be paid prior to October 1 of each year for the upcoming January 1 through December 31 annual term (the "Due Date"). In the event that Emerald Coast fails to pay the Rent prior to the October 1 Due Date, nor pays within the ten (10) days thereafter (the "Grace Period"), then that failure to pay the Rent shall be deemed a breach of the Initial Lease, as amended. In the event that there is a breach based upon the failure to pay the Rent, the County shall provide notice of the failure to pay. Emerald Coast shall have fifteen (15) days from receipt of the notice to cure the breach by paying the Rent amounts due in full, along with a penalty of ten percent (10%) on the outstanding amount due (the "Cure Period"). If Emerald Coast fails to cure the default within the fifteen day Cure Period then the County may terminate the lease with notice to Emerald Coast and take immediate possession of the Property.

4. The annual Rent amounts shall be paid in full. The amounts due for the remainder of the term of the Initial Lease, as amended, with the application of the various adjustments as set forth herein, shall be as follows:

RENTAL PERIOD	AMOUNT OF RENT DUE
January 1, 2017 to December 31, 2017	\$250,000.00
January 1, 2018 to December 31, 2018	\$250,000.00
January 1, 2019 to December 31, 2019	\$250,000.00
January 1, 2020 to December 31, 2020	\$250,000.00
January 1, 2021 to December 31, 2021	\$250,000.00
January 1, 2022 to December 31, 2022	\$255,000.00
January 1, 2023 to December 31, 2023	\$260,100.00
January 1, 2024 to December 31, 2024	\$265,302.00
January 1, 2025 to December 31, 2025	\$270,608.00
January 1, 2026 to December 31, 2026	\$276,020.00
January 1, 2027 to December 31, 2027	\$284,301.00
January 1, 2028 to December 31, 2028	\$292,830.00
January 1, 2029 to December 31, 2029	\$301,615.00
January 1, 2030 to December 31, 2030	\$310,663.00
January 1, 2031 to December 31, 2031	\$319,983.00
January 1, 2032 to December 31, 2032	\$331,182.00
January 1, 2033 to December 31, 2033	\$342,773.00
January 1, 2034 to December 31, 2034	\$354,770.00
January 1, 2035 to December 31, 2035	\$367,187.00
January 1, 2036 to December 31, 2036	\$380,039.00
January 1, 2037 to December 31, 2037	\$393,340.00
January 1, 2038 to December 31, 2038	\$407,107.00
January 1, 2039 to December 31, 2039	\$421,356.00

5. In addition to the above rental amounts, Emerald Coast shall be responsible for and agree to pay any State sales tax or any other tax, assessment or surcharge on the Rent paid or any other consideration of the Initial Lease, as amended, paid to the County, plus any ad valorem, intangible, or other tax or assessment imposed by the State or Federal law or regulation, or any County ordinance or requirement. Emerald Coast shall also pay to the appropriate entity any other charges that are imposed based upon the activities of Emerald Coast on the Property, including the activities of its sub lessees or assigns.

Section 3. All other terms and provisions of the Initial Lease, as subsequently amended, shall remain in force and effect to the extent that they have not been altered or are otherwise inconsistent with the Second Amendment.

BOARD OF COUNTY COMMISSIONERS  
OF OKALOOSA COUNTY

By: Charles K. Windes, Jr.  
Charles K. Windes, Jr.  
Chairman



Date: March 15, 2016

ATTEST:

Bany J. Stafford  
J. D. Peacock, II  
Clerk



EMERALD COAST BEACH  
MANAGEMENT, INC.

Jill Graham  
Witness Jill Graham

By: [Signature]  
Robert Bonezzi

Nick Surra  
Witness Nick Surra

Its: \_\_\_\_\_

STATE OF FLORIDA  
COUNTY OF OKALOOSA

The foregoing instrument was acknowledged before me this 4th day of March, 2016, by Robert Bonezzi, the President of Emerald Coast Beach Management, Inc..

[Signature]  
(Signature of Notary Public)



Jill Graham  
(Print Name of Notary Public)

\_\_\_\_\_  
(Commission Number)

Personally Known or \_\_\_\_\_ Produced \_\_\_\_\_ as identification.



**EXHIBIT B**

**CONTRACT, LEASE, AGREEMENT CONTROL FORM**

Date: 10/25/88

Contract/Lease Control #: L89-0031-BC30-10

Bid #: N/A Contract/Lease Type: REVENUE

Award To/Lessee: EMERALD COAST BEACH MANAGEMENT, INC.

Lessor: OKALOOSA COUNTY

*BOWZER - 650-4725*

Effective Date: 10/25/88

Term: 25 YEARS/10/24/2013-BBC EXTENDED 5 YEARS TO 10/24/2018  
10/24/96

Description of Contract/Lease: LEASE PROPERTY AT JAMES LEE PARK (DESTIN)

Department Manager: ADMINISTRATIVE SERVICES

Department Monitor: J. CURRY

Monitor's Telephone #: 689-5007

Monitor's FAX #: 689-5025

Date Closed: \_\_\_\_\_

*6/20/08 BOWZER DEVELOPMENT  
P.O. Box 5497  
DESTIN, FL 32540*



BONEDEV-01

JMARTIN

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY) 8/6/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement.

PRODUCER: Acentria, Inc - Destin Office
CONTACT NAME:
PHONE (A/C, No, Ext): (850) 650-1950
FAX (A/C, No): (850) 650-9288
INSURER(S) AFFORDING COVERAGE: Westchester Surplus Lines Insurance
NAIC #: 10172

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES.

Table with columns: INSR LTR, TYPE OF INSURANCE, ADDL INSD, SUBR WVD, POLICY NUMBER, POLICY EFF, POLICY EXP, LIMITS. Includes Commercial General Liability, Liquor Liability, Automobile Liability, Umbrella Liab, Excess Liab, Workers Compensation.

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
Re: 3500 Scenic Highway 98 E, Destin, FL 32541. The Certificate Holder is Additional Insured with respects to the General Liability where required by written contract.

L-0031

CERTIFICATE HOLDER CANCELLATION

08-10-15A07:55 RCVD
Okaloosa County Board of Commissioners
5489 Old Bethel Road
Crestview, FL 32536
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

OFFER TO LEASE

The undersigned, hereinafter referred to as Lessee does hereby offer to lease the below described property under the terms and conditions as follows:

PUBLIC PARK LEASE

This Lease is made and executed in duplicate by and between OKALOOSA COUNTY, a political subdivision of the State of Florida, herein called Lessor, and EMERALD COAST BEACH MANAGEMENT, INC. of DESTIN, FLORIDA 32541 (address), herein called Lessee.

1. DESCRIPTION OF PREMISES: Lessor leases to Lessee, and Lessee hires from Lessor, as herein provided, the real property and improvements located thereon as described as follows:

As per Exhibit A attached hereto.

2. TERM: The term of this lease is twenty five (25) years commencing on the date of execution hereof by Lessor.

3. RENT: Lessee covenants and agrees to pay as rent for the premises TWELVE THOUSAND FIVE HUNDRED Dollars (\$ 12,500.00 ) per annum in advance annually, with the first such payment to be submitted by Cashier's or Certified Check with this bid, for each of the first five years of this Lease; the aforesaid annual rental shall be increased by 20% for the 6th thru the 10th years of this Lease, said payment to be made annually in advance; the aforesaid annual rental shall be increased by 20% over and above that for the 6th thru the 10th years of this lease for the 11th thru the 15th years of this Lease, said payments to be made

10/2/06  
25  
10/2/06  
5  
10/2/06  
12/2/06

98-93  
12,500

\$ 15,000 6-10  
99-98

\$ 18,000  
99-03

\$ 21,600  
2003-

\$ 25,920  
2008-

JOHN R. DOWD  
ATTORNEY AT LAW  
P.O. BOX 404  
SHALIMAR, FLORIDA  
32578

annually in advance; the aforesaid increased annual rental shall be increased by 20% over and above that for the 11th thru the 15th years of this Lease for the 16th thru the 20th years of this Lease, said payments to be made annually in advance; the aforesaid increased annual rental shall be increased by 20% over and above that for the 16th thru the 20th years of this Lease for the 21st thru the 25th years of this Lease.

4. USE OF PREMISES: The premises are leased to be open to the general public as a public park. Lessee shall submit a proposed plan of development of the park with this bid, which plan shall constitute a part of this Lease. Lessee agrees to restrict the use of the premises to the purposes proposed in the said plan and not to use, or permit the use of the premises for any other purpose not specifically stated without first obtaining the consent in writing of Lessor.

5. COMPLIANCE WITH LAW: During the continuance of this Lease, the leased premises shall not be used for any purpose in violation of any federal, state, county or municipal statute or ordinance, or of any regulation, order, or directive of a governmental agency, as such statute, ordinance, regulations, orders or directives now exist or may hereafter provide, concerning the use and safety of the premises. On the breach of any provision hereof by Lessee, Lessor may at its option terminate this Lease forthwith and re-enter and repossess the premises.

6. LESSEE'S RIGHTS AS TO SIGNS: Lessee may, at its own risk and expense, erect or place in a lawful manner signs concerning its activities on the premises. Such signs shall always indicate that the leased premises are a public park. Lessee shall maintain such signs in a good state of repair, and shall repair any

damage that may have been done to the premises by the erection, existence, or removal of such signs. At the end of the lease term or any renewal thereof, Lessee shall remove the signs at its expense if requested to do so by Lessor.

7. RIGHT OF LESSEE TO MAKE IMPROVEMENTS OR ALTERATIONS: Lessee shall not improve or alter the demised premises in any manner without the prior written consent of Lessor but shall, before making any improvements or alterations, submit plans and designs therefor to Lessor for its approval. In the event that the plans and designs are disapproved, such improvements or alterations shall be made only with such changes as may be required by Lessor. All improvements or alterations erected or made on the demised premises shall on expiration or sooner termination of this Lease belong to Lessor without compensation to Lessee. However, Lessor shall have the option, to be exercised on expiration or sooner termination of this lease, to require Lessee to remove any or all such improvements or alterations.

8. DUTY TO MAINTAIN PREMISES - IN GENERAL: Lessee agrees, at its own expense, to maintain the leased premises and appurtenances thereto in good condition and repair. Lessee agrees to keep the beach and grounds in a clean and orderly condition at all times, this requirement being essential to the continued validity of this Lease.

9. OUTSTANDING CONTRACTS - ASSUMPTION: Lessor has an outstanding contract for lifeguard services to the <sup>demised</sup> demised premises. Lessee agrees to comply with said contract and to assume and pay the portion of the contract for the demised premises, said payment to be

made to the contractor when due pursuant to the said contract.

10. NO ASSIGNMENT OR SUBLEASE WITHOUT LESSOR'S CONSENT: Lessee shall not assign this Lease, or any interest herein, or sublet the leased premises, or any part thereof, or any right or privilege appurtenant thereto, or allow any person other than Lessee and its agents and employees to use the premises or any part of them, without first obtaining Lessor's written consent thereto. Lessor's consent to one assignment, sublease, or use shall not be a consent to any subsequent assignment or sublease, or occupancy or use by another person. Any unauthorized assignment or sublease shall be void, and shall terminate this lease at Lessor's option. Lessee's interest in this lease is not assignable by operation of law without Lessor's written consent. Lessee shall keep a current list of all its stockholders or partners filed with Lessor.

11. UTILITIES: Lessee shall at Lessee's expense, pay for all water, gas, electric power and all other utilities required on the leased premises from and after the commencement of the term hereof.

12. OPENING AND CLOSING TIMES: Lessee shall keep the park open at all times unless the written consent of Lessor is obtained to close the same during certain periods of time.

13. INSURANCE REQUIREMENTS: Lessee shall procure and maintain in force during the term of this Lease and any extension hereof, at its expense, public liability insurance in companies and through brokers approved by Lessor, adequate to protect against liability for damage claims through public use of or arising out of accidents occurring in or around the leased premises, in a minimum amount of TWO HUNDRED THOUSAND DOLLARS

(\$200,000.00) for each person injured, FOUR HUNDRED THOUSAND DOLLARS (\$400,000.00) per occurrence, and FIFTY THOUSAND DOLLARS (\$50,000.00) for property damage. Such insurance policy shall name Okaloosa County as an insured, and shall insure any liability which Okaloosa County may have. In addition, Lessee shall procure and maintain Workmen's Compensation Insurance as required by Florida Statutes. The policies shall be delivered to Lessor for keeping. Lessee agrees to obtain a written obligation from the Insurers to notify Lessor in writing at least 30 days prior to cancellation or refusal to renew any such policies. Lessee agrees that if such insurance policies are not kept in force during the entire term of this Lease and any extension hereof, Lessor may procure the necessary insurance and pay the premium therefor, and that such premium shall be repaid to Lessor as additional rent at the next annual rental payment.

14. RESTRICTION AGAINST MECHANICS' LIENS -  
CONSENT OF LESSOR NOT GIVEN: Nothing in this Lease shall be deemed or construed in any way as constituting the consent or request of Lessor, express or implied, by inference or otherwise, to any contractor, subcontractor, laborer, or materialman for the performance of any labor or the furnishing of any materials for any specific improvement, alteration to, or repair of the demised premises or any part thereof, nor as giving Lessee the right, power, or authority to contract for or permit the rendering of any services or the furnishing of any materials that would give rise to the filing of any lien against the demised premises or any part thereof.

15. LEASE BREACHED BY LESSEE'S RECEIVERSHIP, ASSIGNMENT FOR BENEFIT OF CREDITORS, INSOLVENCY, OR BANKRUPTCY: Appointment of a receiver to take possession of Lessee's assets (except a receiver appointed at Lessor's request as herein provided), Lessee's general assignment for the benefit of creditors, or Lessee's insolvency or taking or suffering action under the Bankruptcy Act is a breach of this Lease.

16. LESSOR'S REMEDIES ON LESSEE'S BREACH: If Lessee breaches this Lease, Lessor shall have the following remedies in addition to his other rights and remedies as provided by law in such event:

a. Reentry: Lessor may reenter the premises immediately, and remove all Lessee's personnel and property therefrom. Lessor may store the property in a public warehouse or at another place of his choosing at Lessee's expense or to Lessee's account.

b. Termination: After reentry, Lessor may terminate this Lease on giving 15 days' written notice of such termination to Lessee.

Lessor may recover from Lessee on terminating this Lease for Lessee's breach all damages proximately resulting from the breach, including but not limited to the cost of recovering the premises, and the worth of the balance of this Lease over the reasonable rental value of the premises for the remainder of the Lease term, which sum shall be immediately due Lessor from Lessee.

c. Appointment of Receiver: After reentry, Lessor may procure the appointment of a receiver to take possession of and collect rents and profits from Lessee's business. If necessary, to collect such rents and profits the receiver may carry on Lessee's business



and take possession of Lessee's personal property used in the business, including inventory, trade fixtures, and furnishings, and use them in the business without compensating Lessee therefor. Proceedings for the appointment of a receiver by Lessor, or the appointment of a receiver and the conducting by him of Lessee's business shall not terminate this Lease unless Lessor has given written notice of such termination as provided herein.

17. LESSEE TO PAY LESSOR'S ATTORNEYS' FEES: If Lessor files an action to enforce any covenant of this Lease, or for breach of any covenant herein, Lessee agrees to pay Lessor's reasonable attorney's fees for the services of Lessor's attorney in the action, such fees to be fixed by the Court.

18. MANNER OF GIVING NOTICE: Notices given pursuant to the provisions of this Lease, or necessary to carry out its provisions shall be in writing, and delivered personally to the person to whom the notice is to be given, or mailed postage prepaid, addressed to such person. Lessor's address for this purpose shall be Chairman, Board of County Commissioners, Okaloosa County Courthouse, Crestview, Florida 32536. Notices to Lessee shall be to the address first above given, or may be to Lessee at the premises leased.

19. EFFECT OF LESSOR'S WAIVER: Lessor's waiver of a breach of any one covenant or condition of this Lease shall not be deemed a waiver of a breach of others, or of a subsequent breach of the one waived.

20. LEASE APPLICABLE TO SUCCESSORS: This Lease and the covenants and conditions hereof apply to and are binding on the heirs, successors, legal representatives, and assigns of the parties.

21. TIME OF ESSENCE: Time is of the essence of this Lease.

22. DAMAGE OR DESTRUCTION BY FIRE, WAR OR ACTS OF GOD: If the premises leased herein are destroyed or damaged by fire, acts of war, or acts of God (including rising water or earthquake) to such an extent that they are rendered untenable in whole or in substantial part, Lessee has the option of rebuilding or repairing the same. If Lessee elects to rebuild or repair the premises and does so without unnecessary delay, Lessee shall have the option to continue this Lease for the remainder of its term upon completion of construction or repairs, with the rent to be abated from the date of damage or destruction to the date of the next commercial utilization of the premises by opening all or any portion of the operations to the general public. Lessee shall give Lessor notice of its intent to repair or rebuild within 30 days from the date of damage or destruction, otherwise this Lease shall terminate be null and void with Lessor retaining any advance rental and any insurance proceeds paid as additional consideration for the execution of this Lease. In the event Lessee elects to rebuild or repair, said construction shall be completed within 18 months from the date of destruction or damage. If not completed within 18 months, Lessee shall recommence paying the rental as herein provided.

23. CASUALTY INSURANCE: Lessee will, during the term hereof, at all times have and keep the interest of Lessor in the building or buildings including all additions, alterations, or improvements, on the premises insured against loss or damage by fire, lightning, rising water, windstorm, hail, explosion, riot, and smoke damage under policies of insurance

carried by insurance companies of recognized responsibility and credit and duly authorized to transact business in the State of Florida. The total amount of such insurance shall be in an amount adequate for the reconstruction of the buildings and improvements, with loss or damage arising under such policies made payable to Lessor. Lessee will deposit such policies as issued from time to time with Lessor.

All amounts received on such policies shall be available to Lessee for the reconstruction or repair, as the case may be, of any such buildings or improvements. In case of the work of reconstruction or repair being approved by Lessor and being started promptly and prosecuted with reasonable dispatch, and there being no default on the part of Lessee in the performance and observance of the covenants hereof, the Lessor shall, from the amounts received on such policies and as far as is necessary, pay out the amount or amounts by so received on the estimates of any responsible architect having supervision of such construction or repair and certifying that the amount of such estimate is being applied to the payment of the reasonable cost of such construction. However, in case of a plan of reconstruction being adopted which will require an expenditure of an amount in excess of the amount held by the Lessor, the Lessor may withhold such payments until such time as it is made to appear to its satisfaction that any amount necessary to provide for such reconstruction or repair, according to the plan adopted, in excess of the amount held by the Lessor has been provided for by Lessee and its application for such purposes assured. Any amount remaining in the hands of the Lessor from such source after the restoration or reconstruction of any buildings or

improvements as herein required shall, if there is at the time no default on the part of Lessee in the performance of the covenants hereof, be paid to Lessee.

In case Lessee elects to rebuild or repair and does not begin the reconstruction or repair of any such building within a period of six months after such destruction or damage by casualty and does not thereafter prosecute the same with such dispatch as would be necessary, in case of the entire reconstruction of the buildings or improvements, to effect completion of the same within a period of eighteen (18) months thereafter, then the amount so received by the Lessor or any balance remaining in its hands, shall be retained as security for the performance and observance by Lessee of the covenants hereof. In this event, no part thereof shall be paid to Lessee or for reconstruction except with the consent of Lessor and after a restoration of the buildings or improvements, it being the option of Lessor in the meantime to terminate this lease on account of such default and retain such amount as liquidated damages resulting to it from the failure of Lessee to promptly and within a reasonable time complete such work or reconstruction or repair.

24. INDEMNITY AND HOLD HARMLESS: Lessee shall indemnify and hold harmless Lessor against all expenses, liabilities, and claims of every kind, including reasonable counsel fees, by or on behalf of any person or entity arising directly or indirectly out of either (1) a failure by Lessee to perform any of the terms or conditions of this Lease, (2) any injury or damage happening on or about the demised premises, (3) failure to comply with any law of any governmental authority, or (4) any mechanic's lien or security

interest filed against the demised premises or equipment, materials, or alterations of buildings or improvements thereon.

25. REVERTER CLAUSE: Lessee is aware of the reverter clause contained in the deed from the State that requires that the property be used for public park purposes, and covenants not to allow any concessions or other uses of the property that are not consistent with that utilization.

IN WITNESS WHEREOF Lessee has executed this Lease and Offer to Lease on this the 11 day of OCTOBER 1988.

LESSEE

*David W. Stuart, President*

EMERALD COAST BEACH MANAGEMENT, INC.  
A FLORIDA CORPORATION

*Clissa Jones*

STATE OF FLORIDA

COUNTY OF Duval

Before me personally appeared DAVID W. STUART as PRESIDENT OF THE ABOVE CORPORATION to me well known and known to me to be the person described in and who executed the foregoing instrument and acknowledged to and before me that he has full authority to execute and executed said instrument in the capacity and for the purposes therein expressed.

WITNESS MY HAND and official seal this the day of Oct. 11, 1988.

*Clissa Jones*  
NOTARY PUBLIC

My Commission Expires: \_\_\_\_\_

NOTARY PUBLIC, STATE OF FLORIDA  
BY EXPIRES NOVEMBER 10, 1991.  
BONDED THROUGH NOTARY PUBLIC UNDERWRITERS.

JOHN R. DOWD  
ATTORNEY AT LAW  
P.O. BOX 404  
MILMAM, FLORIDA  
32070

IN WITNESS WHEREOF, the Lessor having accepted this Offer to Lease and Lease by official action this the 25th day of October, 1988, Lessor has hereunto set its hand and seal on this the 25th day of October, 1988.

OKALOOSA COUNTY, FLORIDA

BY: B. W. Peebles, Jr.

CHAIRMAN

BOARD OF COUNTY COMMISSIONERS

ATTEST:

Newman C. Brackin

NEWMAN C. BRACKIN

Clerk of Circuit Court

JOHN R. DOWD  
ATTORNEY AT LAW  
P.O. BOX 404  
SHALIMAR, FLORIDA  
32879

A parcel of land in Township 2 South, Range 22 West, being described as follows: Commence on the Southerly extension of the East line of Block 1 of Crystal Beach Subdivision as per plat recorded in Plat Book 1, Page 17 of the Public Records of Okaloosa County, Florida, at a point 67.65 feet South of the Southeast corner of Block 1 of said Crystal Beach Subdivision; thence run South 84°18'26" East 896.60 feet; thence South 5°41'34" West 33 feet to the POINT OF BEGINNING; thence South 58°11'46" East 88.61 feet; thence South 84°18'26" East 1377.43 feet; thence North 53°29'08" East 58.05 feet; thence South 5°41'34" West to the waters edge of the Gulf of Mexico; thence Westerly along the waters edge of said Gulf of Mexico to a point South 5°41'34" West of the POINT OF BEGINNING; thence North 5°41'34" East to the POINT OF BEGINNING;

Containing 4.35 acres, more or less.

EXHIBIT A

ADDENDUM

Proposed Plan of Development  
(as required under Paragraph 4)

Lessee will remove all present concrete structures replacing same with wooden structures of the same nature which meet or exceed those building requirements of Okaloosa County and the State of Florida. Lessee will construct recreational facilities, both indoor and outdoor, which will include a snack bar/eatery, all of which facilities will meet the above county and state requirements.

A handwritten signature consisting of the letters 'DWS' in a cursive style, enclosed within a hand-drawn oval.



SUPPLEMENT TO LEASE

WHEREAS, OKALOOSA COUNTY, a political subdivision of the State of Florida, hereinafter called "Lessor," and EMERALD COAST BEACH MANAGEMENT, INC., a Florida corporation, hereinafter called "Lessee," entered into a Lease dated the 25th day of October, 1988, for the operation and maintenance of a certain park known as "County Line East Wayside Park," also known as "Silver Beach Park," and

WHEREAS, at the time of execution and delivery of the Lease, the continued utilization of the parking lot adjacent to the park for the parking of patrons and visitors to the said park was contemplated by the Lessor and Lessee, and

WHEREAS, Lessor in accordance with the terms and conditions of the said Lease has granted conceptual approval to the development of the aforesaid park in accordance with the plans submitted by Lessee, which plans included the parking area, and

WHEREAS, Lessor desires to allow the continued utilization of the parking lot during the term of the Lease.

NOW, THEREFORE, in consideration of the continued compliance with the terms and conditions of the Lease and the assumption of the responsibility to insure, clean, maintain, and repair the parking area in accordance with the terms and conditions of the Lease, Exhibit "A" to the above-referenced Lease to the extent that Lessor has title to the property for use for this purpose is hereby supplemented to include the legal description of the property described in Exhibit "B", attached hereto, to be utilized as a parking area.

Except as hereinabove provided, all other terms and conditions of said Lease dated October 25, 1988, shall remain in full force and effect.

IN WITNESS WHEREOF, Lessor has hereunto set its hand and seal on this the 17th day of October, 1989.

OKALOOSA COUNTY, a Political  
Subdivision of the State of  
Florida

(Official Seal)

By: Don E. Ware  
Don E. Ware  
Chairman

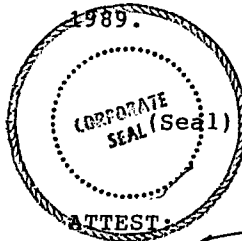


ATTEST:

Newman C. Brackin  
NEWMAN C. BRACKIN  
Clerk of Circuit Court



IN WITNESS WHEREOF, Lessee has executed this Supplement to Lease on this the 17th day of October, 1989.



EMERALD COAST BEACH MANAGEMENT, INC.

By: David W. Stuart  
David W. Stuart, President

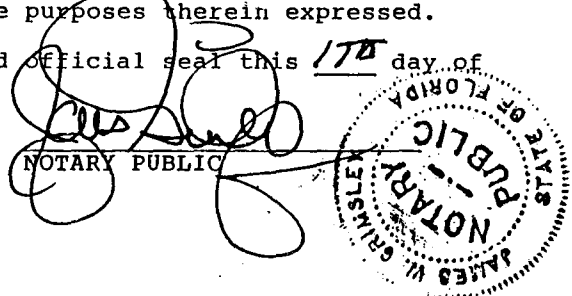
ATTEST:

[Signature]  
Secretary

STATE OF FLORIDA )  
                          )  
COUNTY OF OKALOOSA )

Before me, the undersigned authority, personally appeared DAVID W. STUART as President of EMERALD COAST BEACH MANAGEMENT, INC., a Florida corporation, to me well known and known to me to be the person described in and who executed the foregoing document and acknowledged to and before me that he has the full authority to execute and did execute said instrument in the capacity and for the purposes therein expressed.

WITNESS my hand and official seal this 17th day of October, 1989.



My Commission Expires:

NOTARY PUBLIC STATE OF FLORIDA  
MY COMMISSION EXP. APR. 11, 1993  
BONDED THRU GENERAL INS. UND.

**Raymond Richardson & Associates, Inc.**

Land Surveyors  
P.O. Box 812 • Destin, Florida 32541  
Phone: (904) 837-8242

\*\* OFFICIAL RECORDS \*\*  
BK 1528 PG 1182

DATE: 10-09-89  
PROJECT: 88-390 DEPARTMENT OF TRANSPORTATION, WAYSIDE  
PARK TOWNSHIP-2 SOUTH, RANGE-22 WEST, OKALOOSA  
COUNTY, FLORIDA  
DESCRIPTION TITLE: PARKING AREA  
FOR: EMERALD COAST BEACH MANAGEMENT  
REQUESTED BY: MR. JIM GRIMSLEY  
WRITTEN BY: R. A. [Signature] APPROVED BY: R. A. [Signature]

A PARCEL OF LAND LYING IN TOWNSHIP 2 SOUTH, RANGE 22 WEST, OKALOOSA COUNTY, FLORIDA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:  
COMMENCE AT THE SOUTHEAST CORNER OF BLOCK 1 OF CRYSTAL BEACH SUBDIVISION AS RECORDED IN PLAT BOOK 1, AT PAGE 17 OF THE PUBLIC RECORDS OF OKALOOSA COUNTY FLORIDA; THENCE GO SOUTHERLY ON AN EXTENSION OF THE EAST LINE OF SAID BLOCK 1, A DISTANCE OF 67.65 FEET TO A POINT ON THE CENTER LINE OF STATE ROAD 30 (US 98, 100' R/W); THENCE GO SOUTH 84°18'26" EAST ALONG SAID CENTER LINE, A DISTANCE OF 896.60 FEET; THENCE GO SOUTH 05°41'34" WEST, A DISTANCE OF 22.00 FEET TO A POINT ON THE WESTERLY EXTENSION OF THE BACK OF A CONCRETE CURB, SAID POINT ALSO BEING THE POINT OF BEGINNING; THENCE CONTINUE SOUTH 05°41'34" WEST, A DISTANCE OF 11.00 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF STATE ROAD 30 (US 98 R/W VARIES); THENCE GO ALONG THE SAID SOUTHERLY RIGHT-OF-WAY LINE THE FOLLOWING THREE (3) CALLS:  
(1) THENCE GO SOUTH 58°11'46" EAST, A DISTANCE OF 88.61 FEET;  
(2) THENCE GO SOUTH 84°18'26" EAST, A DISTANCE OF 1377.43 FEET;  
(3) THENCE GO NORTH 53°29'08" EAST, A DISTANCE OF 58.05 FEET;  
THENCE GO NORTH 05°41'34" EAST, A DISTANCE OF 11.00 FEET TO A POINT ON THE EASTERLY EXTENSION OF THE BACK OF A CONCRETE CURB; THENCE GO NORTH 84°18'26" WEST ALONG SAID BACK OF CURB, A DISTANCE OF 1500.00 FEET TO THE POINT OF BEGINNING; SAID PARCEL OF LAND CONTAINS 1.6668 ACRES.

EXHIBIT "B" TO SUPPLEMENT TO LEASE



FILE# 1058105  
OKALOOSA COUNTY, FLORIDA

RCD: OCT 19 1989 @ 1:21 PM  
NEWMAN C BRACKIN, CLERK

#L31

**BOARD OF COUNTY COMMISSIONERS  
AGENDA REQUEST**

REQUEST  
TABLETS

**DATE:** October 18, 2005

**TO:** Honorable Chairman & Members of the Board

**FROM:** Danielle Slaterpryce  
Public Works Director

**SUBJECT:** Request from Mr. Bob Bonezzi, Emerald Coast Beach Management, Inc. to extend the lease expiration date for James Lee Park by seven (7) years.

**DISTRICT:** 5

**REQUESTING DEPARTMENT:** Public Works

**STATEMENT OF ISSUE:** Mr. Bob Bonezzi, Emerald Coast Beach Management, Inc. has requested that the lease expiration date for James Lee Park be extended by seven (7) years in order to offset costs he has incurred during the 2004 and 2005 hurricane seasons. He estimates this cost to be \$1,000,000.

**BACKGROUND:** The Board of County Commissioners entered into a lease agreement with Emerald Coast Beach Management, Inc. (Mr. Bob Bonezzi) on October 17, 1989. The initial lease agreement was for 25 years and expired on October 17, 2014. The Board of County Commissioners approved a lease extension from October 17, 2014 to October 17, 2019 on October 29, 1996. The extension was granted based on reconstruction of the Crab Trap Restaurant after Hurricane Opal and included the 20% rent increase for those five years.

The rent schedule for the park is:

October 17, 1989 – October 16, 1994	\$12,500
October 17, 1994 – October 16, 1999	\$15,000
October 17, 1999 – October 16, 2004	\$18,000
October 17, 2004 – October 16, 2009	\$21,600
October 17, 2009 – October 16, 2014	\$25,920
October 17, 2014 – October 16, 2019	\$31,104

From the schedule above the current annual rent on the park is \$25,290.

Mr. Bonezzi is asking for an extension of seven (7) years to the agreement. Should this be granted the new expiration date would be October 16, 2026. Assuming that the 20% increase in rent in five year increments is followed the annual rent payment from 2019 to 2024 would be \$37,325 and \$44,790 from 2024 to 2026.

Mr. Raymond Tedder, Sr. Right-of-way Agent has performed a valuation based strictly on raw land values for James Lee Park. The park is 278 ft. deep and 1,500 feet along the gulf or 417,000 sq. ft (9.573 acres). Recent and past sale histories for gulf front lots similar to the park parcel were analyzed and a value of \$96.85 per sq. ft. was determined. This equates to a total value of \$40,386,450 for the park without improvements. The tax appraisers assessed value for improvements on the property is \$441,760.

The question as to the ability to assign or sublease that has arisen is answered by Clause 10. NO ASSIGNMENT OR SUBLEASE WITHOUT LESSOR'S CONSENT. This clause requires written consent of the Board for any sublease or assignment and requires that the Lessee keep a current list of all its stockholders or partners filed with the lessor.

There are several clauses in the lease concerning operation and maintenance. Clause 4 requires that the premises be open to the general public and that the Lessee develop the park. Clause 8 requires the Lessee, to at its own expense, to maintain the leased premises in good condition and repair and to keep the beaches and grounds in a clean and orderly condition. Clause 14 requires the Lessee to pay for all water, gas, electric and other utilities. The Lessee has met those obligations.

Clause 22 deals with Damage or Destruction by Fire, War or Acts of God including rising water or earthquake. A portion of the clause reads "...Lessee has the option of rebuilding or repairing the same. If Lessee elects to rebuild or repair the premises and does so without unnecessary delay, Lessee shall have the option to continue this Lease for the remainder of its term upon completion of construction or repairs, with the rent to be abated from the date of damage or destruction to the date of the next commercial utilization of the premises by opening all or any portion of the operations to the general public..." This indicates that the lease allows for the reduction in the annual rent commiserate with the amount of time required to repair the facilities.

There is no apparent requirement in the lease for an extension of time related to storm damages. It appears that this is strictly at the pleasure of the Board of County Commissioners.

**OPTIONS:** The Board has several options it may consider.

Option A: Do not extend the extension as requested and abate the annual rent for the 2004 and 2005 hurricane season for the number of days it took to repair the facilities.

Option B: Extend the lease agreement by seven (7) years, resulting in a new termination date of October 16, 2026 and continue the 20% increase in annual rent payment in five (5) year increments. This would result in annual rent payments from 2019 to 2024 of \$37,325 and \$44,790 from 2024 to 2026.

Option C: Extend the lease agreement for a number of years suitable to the Board and increase the annual rate payment at a different rate. The table below provides examples for consideration.

Extended Termination Date	20% increase in 5 yr. increments	25% increase in 5 yr. increments	30% increase in 5 yr. increments	10% increase annually	15% increase annually	20% increase annually	25% increase annually	30% increase annually
1 yr – October 16,	\$37,325	\$38,880	\$40,435	\$34,214	\$35,770	\$37,325	\$38,880	\$40,435

2020								
2 yr – October 16, 2021	\$37,325	\$38,880	\$40,435	\$37,636	\$41,135	\$44,790	\$48,600	\$52,566
3 yr – October 16, 2022	\$37,325	\$38,880	\$40,435	\$41,399	\$47,305	\$53,748	\$60,750	\$68,335
4 yr – October 16, 2023	\$37,325	\$38,880	\$40,435	\$45,539	\$54,401	\$64,497	\$75,938	\$88,836
5 yr – October 16, 2024	\$37,325	\$38,880	\$40,435	\$50,093	\$62,561	\$77,397	\$94,922	\$115,487
6 yr – October 16, 2025	\$44,790	\$38,880	\$52,566	\$55,103	\$71,945	\$92,876	\$118,652	\$150,133
7 yr – October 16, 2026	\$44,790	\$38,880	\$52,566	\$60,613	\$82,737	\$111,451	\$148,315	\$195,173
8 yr – October 16, 2027	\$44,790	\$38,880	\$52,566	\$66,674	\$95,147	\$133,742	\$185,394	\$214,690
9 yr – October 16, 2028	\$44,790	\$38,880	\$52,566	\$73,342	\$109,419	\$160,490	\$231,743	\$279,097
10 yr – October 16, 2029	\$44,790	\$38,880	\$52,566	\$80,676	\$125,832	\$192,588	\$289,679	\$352,827

**RECOMMENDATION:** That the Board extend the contract for the seven (7) years requested and that the rent payment be increased at a rate of 15% annually beginning with the first year of the extension or October 17, 2019.

RECOMMENDED BY: *Danielle Slaterpryce*  
**Danielle Slaterpryce**  
**Public Works Director**

APPROVED BY: *James D. Curry*  
**James D. Curry,**  
**County Administrator**