

EXHIBIT B

CONTRACT, LEASE, AGREEMENT CONTROL FORM

Date: 10/16/2006

Contract/Lease Control #: L07-0278-PW50-2

Bid #: N/A

Contract/Lease Type: EXPENDITURE

Award To/Lessee: OKALOOSA COUNTY

Lessor: FL DEPT OF ENVIRONMENTAL PROTECTION

Effective Date: 10/4/2006 \$15,000.00

Term: EXPIRES 10/3/2056

Description of Contract/Lease: LAND NEXT TO PW BUILDING CVIEW

Department Manager: PUBLIC WORKS

Department Monitor: D. SLATERPRYCE

Monitor's Telephone #: 689-5772

Monitor's FAX #: 689-5786

Date Closed:

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BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT
TRUST FUND OF THE STATE OF FLORIDA

LEASE AGREEMENT

Lease Number 4516

THIS LEASE AGREEMENT, made and entered into this 4th day of October 2006, between the BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND OF THE STATE OF FLORIDA hereinafter referred to as "LESSOR", and OKALOOSA COUNTY, FLORIDA, hereinafter referred to as "LESSEE."

LESSOR, for and in consideration of mutual covenants and agreements hereinafter contained, does hereby lease to said LESSEE the lands described in paragraph 2 below, together with the improvements thereon, and subject to the following terms and conditions:

1. DELEGATIONS OF AUTHORITY: LESSOR'S responsibilities and obligations herein shall be exercised by the Division of State Lands, Department of Environmental Protection.
2. DESCRIPTION OF PREMISES: The property subject to this lease, is situated in the County of Okaloosa, State of Florida and is more particularly described in Exhibit "A" attached hereto and hereinafter referred to as the "leased premises".
3. TERM: The term of this lease shall be for a period of 50 years commencing on October 4, 2006 and ending on October 3, 2056, unless sooner terminated pursuant to the provisions of this lease.
4. PURPOSE: The LESSEE shall manage the leased premises only for the establishment and operation of county office building and parking lot, along with other related uses necessary for the accomplishment of this purpose as designated in the Management Plan required by paragraph 8 of this lease.
5. QUIET ENJOYMENT AND RIGHT OF USE: LESSEE shall have the right of ingress and egress to, from and upon the leased premises for all purposes necessary to the full quiet enjoyment by said LESSEE of the rights conveyed herein.

L07-0278-PW50-2
LESSOR: FL DEPT OF ENVIRONMENTAL
PROTECTION
LAND NEXT TO PW BLDG CVIEW
EXPIRES: 10/3/2056

6. UNAUTHORIZED USE: LESSEE shall, through its agents and employees, prevent the unauthorized use of the leased premises or any use thereof not in conformance with this lease.
7. ASSIGNMENT: This lease shall not be assigned in whole or in part without the prior written consent of LESSOR. Any assignment made either in whole or in part without the prior written consent of LESSOR shall be void and without legal effect.
8. MANAGEMENT PLAN: LESSEE shall prepare and submit a Management Plan for the leased premises, in accordance with Section 253.034, Florida Statutes and subsection 18-2.021(4), Florida Administrative Code. The Management Plan shall be submitted to LESSOR for approval through the Division of State Lands. The leased premises shall not be developed or physically altered in any way other than what is necessary for security and maintenance of the leased premises without the prior written approval of LESSOR until the Management Plan is approved. LESSEE shall provide LESSOR with an opportunity to participate in all phases of preparing and developing the Management Plan for the leased premises. The Management Plan shall be submitted to LESSOR in draft form for review and comments within ten months of the effective date of this lease. LESSEE shall give LESSOR reasonable notice of the application for and receipt of any state, federal or local permits as well as any public hearings or meetings relating to the development or use of the leased premises. LESSEE shall not proceed with development of said leased premises including, but not limited to, funding, permit application, design or building contracts, until the Management Plan required herein has been submitted and approved. Any financial commitments made by LESSEE which are not in compliance with the terms of this lease shall be done at LESSEE'S own risk. The Management Plan shall emphasize the original management concept as approved by LESSOR on the effective date of this lease which established the primary public purpose for which the leased premises are to be managed. The approved Management Plan shall provide the basic guidance for all management activities and shall be

reviewed jointly by LESSEE and LESSOR. LESSEE shall not use or alter the leased premises except as provided for in the approved Management Plan without the prior written approval of LESSOR. The Management Plan prepared under this lease shall identify management strategies for exotic species, if present. The introduction of exotic species is prohibited, except when specifically authorized by the approved Management Plan.

9. EASEMENTS: All easements including, but not limited to, utility easements are expressly prohibited without the prior written approval of LESSOR. Any easement not approved in writing by LESSOR shall be void and without legal effect.

10. SUBLEASES: This agreement is for the purposes specified herein and subleases of any nature are prohibited, without the prior written approval of LESSOR. Any sublease not approved in writing by LESSOR shall be void and without legal effect.

11. RIGHT OF INSPECTION: LESSOR or its duly authorized agents, representatives or employees shall have the right at any and all times to inspect the leased premises and the works and operations of LESSEE in any matter pertaining to this lease.

12. PLACEMENT AND REMOVAL OF IMPROVEMENTS: All buildings, structures, improvements, and signs shall be constructed at the expense of LESSEE in accordance with plans prepared by professional designers and shall require the prior written approval of LESSOR as to purpose, location and design. Further, no trees, other than non-native species, shall be removed or major land alterations done without the prior written approval of LESSOR. Removable equipment and removable improvements placed on the leased premises by LESSEE which do not become a permanent part of the leased premises will remain the property of LESSEE and may be removed by LESSEE upon termination of this lease.

13. INSURANCE REQUIREMENTS: During the term of this lease LESSEE shall procure and maintain policies of fire, extended risk, and liability insurance coverage. The extended risk and fire insurance

coverage shall be in an amount equal to the full insurable replacement value of any improvements or fixtures located on the leased premises. The liability insurance coverage shall be in amounts not less than \$100,000 per person and \$200,000 per incident or occurrence for personal injury, death, and property damage on the leased premises. Such policies of insurance shall name LESSOR, the State of Florida and LESSEE as co-insureds. LESSEE shall submit written evidence of having procured all insurance policies required herein prior to the effective date of this lease and shall submit annually thereafter, written evidence of maintaining such insurance policies to the Bureau of Public Land Administration, Division of State Lands, Department of Environmental Protection, Mail Station 130, 3900 Commonwealth Boulevard, Tallahassee, Florida 32399-3000. LESSEE shall purchase all policies of insurance from a financially-responsible insurer duly authorized to do business in the State of Florida. Any certificate of self-insurance shall be issued or approved by the Chief Financial Officer, State of Florida. The certificate of self-insurance shall provide for casualty and liability coverage. LESSEE shall immediately notify LESSOR and the insurer of any erection or removal of any building or other improvement on the leased premises and any changes affecting the value of any improvements and shall request the insurer to make adequate changes in the coverage to reflect the changes in value. LESSEE shall be financially responsible for any loss due to failure to obtain adequate insurance coverage and the failure to maintain such policies or certificate in the amounts set forth shall constitute a breach of this lease.

14. LIABILITY: Each party is responsible for all personal injury and property damage attributable to the negligent acts or omissions of that party and the officers, employees and agents thereof. Nothing herein shall be construed as an indemnity or a waiver of sovereign immunity enjoyed by any party hereto, as provided in Section 768.28, Florida Statutes, as amended from time to time, or any other law providing limitations on claims.

15. PAYMENT OF TAXES AND ASSESSMENTS: LESSEE shall assume full responsibility for and shall pay all liabilities that accrue to the leased premises or to the improvements thereon, including any and all ad valorem taxes and drainage and special assessments or taxes of every kind and all mechanic's or materialman's liens which may be hereafter lawfully assessed and levied against the leased premises.
16. NO WAIVER OF BREACH: The failure of LESSOR to insist in any one or more instances upon strict performance of any one or more of the covenants, terms and conditions of this lease shall not be construed as a waiver of such covenants, terms or conditions, but the same shall continue in full force and effect, and no waiver of LESSOR of any of the provisions hereof shall in any event be deemed to have been made unless the waiver is set forth in writing, signed by LESSOR.
17. TIME: Time is expressly declared to be of the essence of this lease.
18. NON-DISCRIMINATION: LESSEE shall not discriminate against any individual because of that individual's race, color, religion, sex, national origin, age, handicap, or marital status with respect to any activity occurring within the leased premises or upon lands adjacent to and used as an adjunct of the leased premises.
19. UTILITY FEES: LESSEE shall be responsible for the payment of all charges for the furnishing of gas, electricity, water and other public utilities to the leased premises and for having all utilities turned off when the leased premises are surrendered.
20. MINERAL RIGHTS: This lease does not cover petroleum or petroleum products or minerals and does not give the right to LESSEE to drill for or develop the same, and LESSOR specifically reserves the right to lease the leased premises for purpose of exploring and recovering oil and minerals by whatever means appropriate; provided, however, that LESSEE named herein shall be fully compensated for any and all damages that might result to the leasehold interest of said LESSEE by reason of such exploration and recovery operations.

21. RIGHT OF AUDIT: LESSEE shall make available to LESSOR all financial and other records relating to this lease, and LESSOR shall have the right to either audit such records at any reasonable time or require the submittal of an annual independent audit by a Certified Public Accountant during the term of this lease. This right shall be continuous until this lease expires or is terminated. This lease may be terminated by LESSOR should LESSEE fail to allow public access to all documents, papers, letters or other materials made or received in conjunction with this lease, pursuant to the provisions of Chapter 119, Florida Statutes.

22. CONDITION OF PREMISES: LESSOR assumes no liability or obligation to LESSEE with reference to the condition of the leased premises. The leased premises herein are leased by LESSOR to LESSEE in an "as is" condition, with LESSOR assuming no responsibility for the care, repair, maintenance or improvement of the leased premises for the benefit of LESSEE.

23. COMPLIANCE WITH LAWS: LESSEE agrees that this lease is contingent upon and subject to LESSEE obtaining all applicable permits and complying with all applicable permits, regulations, ordinances, rules, and laws of the State of Florida or the United States or of any political subdivision or agency of either.

24. NOTICE: All notices given under this lease shall be in writing and shall be served by certified mail including, but not limited to, notice of any violation served pursuant to Section 253.04, Florida Statutes, to the last address of the party to whom notice is to be given, as designated by such party in writing. LESSOR and LESSEE hereby designate their address as follows:

LESSOR: Department of Environmental Protection
Division of State Lands
Bureau of Public Land Administration, M. S. 130
3800 Commonwealth Boulevard,
Tallahassee, Florida 32399-3000

LESSEE: County Administrator
Okaloosa County
1804 Lewis Turner Boulevard
Ft. Walton Beach, Florida 32547

25. BREACH OF COVENANTS, TERMS, OR CONDITIONS: Should LESSEE breach any of the covenants, terms, or conditions of this lease, LESSOR shall give written notice to LESSEE to remedy such breach within sixty days of such notice. In the event LESSEE fails to remedy the breach to the satisfaction of LESSOR within sixty days of receipt of written notice, LESSOR may either terminate this lease and recover from LESSEE all damages LESSOR may incur by reason of the breach including, but not limited to, the cost of recovering the leased premises and attorneys' fees or maintain this lease in full force and effect and exercise all rights and remedies herein conferred upon LESSOR.

26. DAMAGE TO THE PREMISES: (a) LESSEE shall not do, or suffer to be done, in, on or upon the leased premises or as affecting said leased premises or adjacent properties, any act which may result in damage or depreciation of value to the leased premises or adjacent properties, or any part thereof. (b) LESSEE shall not generate, store, produce, place, treat, release or discharge any contaminants, pollutants or pollution, including, but not limited to, hazardous or toxic substances, chemicals or other agents on, into, or from the leased premises or any adjacent lands or waters in any manner not permitted by law. For the purposes of this lease, "hazardous substances" shall mean and include those elements or compounds defined in 42 USC Section 9601 or which are contained in the list of hazardous substances adopted by the United States Environmental Protection Agency (EPA) and the list of toxic pollutants designated by the United States Congress or the EPA or defined by any other federal, state or local statute, law, ordinance, code, rule, regulation, order, or decree regulating, relating to, or imposing liability or standards of conduct concerning any hazardous, toxic or dangerous waste, substance, material, pollutant or contaminant. "Pollutants" and "pollution" shall mean those products or substances defined in Chapters 376 and 403, Florida Statutes, and the rules promulgated thereunder, all as amended or updated from time to time. In the event of LESSEE'S failure to comply with this paragraph, LESSEE shall, at its sole cost and expense,

promptly commence and diligently pursue any legally required closure, investigation, assessment, cleanup, decontamination, remediation, restoration and monitoring of (1) the leased premises, and (2) all off-site ground and surface waters and lands affected by LESSEE'S failure to comply, as may be necessary to bring the leased premises and affected off-site waters and lands into full compliance with all applicable federal, state or local statutes, laws, ordinances, codes, rules, regulations, orders, and decrees, and to restore the damaged property to the condition existing immediately prior to the occurrence which caused the damage. LESSEE'S obligations set forth in this paragraph shall survive the termination or expiration of this lease. This paragraph shall not be construed as a limitation upon the obligations or responsibilities of LESSEE as set forth herein. Nothing herein shall relieve LESSEE of any responsibility or liability prescribed by law for fines, penalties and damages levied by governmental agencies, and the cost of cleaning up any contamination caused directly or indirectly by LESSEE'S activities or facilities. Upon discovery of a release of a hazardous substance or pollutant, or any other violation of local, state, or federal law, ordinance, code, rule, regulation, order or decree relating to the generation, storage, production, placement, treatment, release, or discharge of any contaminant, LESSEE shall report such violation to all applicable governmental agencies having jurisdiction, and to LESSOR, all within the reporting periods of the applicable governmental agencies.

27. ENVIRONMENTAL AUDIT: At LESSOR'S discretion, LESSEE shall provide LESSOR with a current Phase I environmental site assessment conducted in accordance with the Department of Environmental Protection, Division of State Lands' standards prior to termination of this lease, and if necessary a Phase II environmental site assessment.

28. SURRENDER OF PREMISES: Upon termination or expiration of this lease, LESSEE shall surrender the leased premises to LESSOR. In the event no further use of the leased premises or any part thereof is needed, LESSEE shall give written notification to LESSOR and the

Bureau of Public Land Administration, Division of State Lands,
Department of Environmental Protection, Mail Station 130, 3900
Commonwealth Boulevard, Tallahassee, Florida 32399-3000, at least six
months prior to the release of any or all of the leased premises.
Notification shall include a legal description, this lease number, and
an explanation of the release. The release shall only be valid if
approved by LESSOR through the execution of a release of lease
instrument with the same formality as this lease. Upon release of all
or any part of the leased premises or upon termination or expiration
of this lease, all improvements, including both physical structures
and modifications to the leased premises shall become the property of
LESSOR, unless LESSOR gives written notice to LESSEE to remove any or
all such improvements at the expense of LESSEE. The decision to
retain any improvements upon termination or expiration of this lease
shall be at LESSOR'S sole discretion. Prior to surrender of all or
any part of the leased premises a representative of the Division of
State Lands, Department of Environmental Protection shall perform an
on-site inspection and the keys to any building on the leased premises
shall be turned over to the Division. If the improvements do not meet
all conditions as set forth in paragraphs 19 and 35 herein, LESSEE
shall pay all costs necessary to meet the prescribed conditions.

29. BEST MANAGEMENT PRACTICES: LESSEE shall implement applicable
Best Management Practices for all activities conducted under this
lease in compliance with paragraph 18-2.018(2)(h), Florida
Administrative Code, which have been selected, developed, or approved
by LESSOR or other land managing agencies for the protection and
enhancement of the leased premises.

30. PROHIBITIONS AGAINST LIENS OR OTHER ENCUMBRANCES: Fee title to
the leased premises is held by LESSOR. LESSEE shall not do or permit
anything to be done which purports to create a lien or encumbrance of
any nature against the real property contained in the leased premises
including, but not limited to, mortgages or construction liens against
the leased premises or against any interest of LESSOR therein.

31. PARTIAL INVALIDITY: If any term, covenant, condition or provision of this lease shall be ruled by a court of competent jurisdiction, to be invalid, void, or unenforceable, the remainder shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

32. ARCHAEOLOGICAL AND HISTORIC SITES: Execution of this lease in no way affects any of the parties' obligations pursuant to Chapter 267, Florida Statutes. The collection of artifacts or the disturbance of archaeological and historic sites on state-owned lands is prohibited unless prior authorization has been obtained from the Department of State, Division of Historical Resources. The Management Plan prepared pursuant to Chapter 18-2, Florida Administrative Code, shall be reviewed by the Division of Historical Resources to insure that adequate measures have been planned to locate, identify, protect and preserve the archaeological and historic sites and properties on the leased premises.

33. SOVEREIGNTY SUBMERGED LANDS: This Lease does not authorize the use of any lands located waterward of the mean or ordinary high water line of any lake, river, stream, creek, bay, estuary, or other water body or the waters or the air space thereabove.

34. ENTIRE UNDERSTANDING: This lease sets forth the entire understanding between the parties and shall only be amended with the prior written approval of LESSOR.

35. MAINTENANCE OF IMPROVEMENTS: LESSEE shall maintain the real property contained within the leased premises and any improvements located thereon, in a state of good condition, working order and repair including, but not limited to, keeping the leased premises free of trash or litter, maintaining all planned improvements as set forth in the approved Management Plan, meeting all building and safety codes in the location situated and maintaining any and all existing roads, canals, ditches, culverts, risers and the like in as good condition as the same may be on the effective date of this lease.

canals, ditches, culverts, risers and the like in as good condition as the same may be on the effective date of this lease.

36. GOVERNING LAW: This lease shall be governed by and interpreted according to the laws of the State of Florida.

37. SECTION CAPTIONS: Articles, subsections and other captions contained in this lease are for reference purposes only and are in no way intended to describe, interpret, define or limit the scope, extent or intent of this lease or any provisions thereof.

38. ADMINISTRATIVE FEE: SUBLESSEE shall pay TRUSTEES an annual administrative fee of \$300 pursuant to subsection 18-2.020(8), Florida Administrative Code. The initial annual administrative fee shall be payable within thirty days from the date of execution of this lease agreement and shall be prorated based on the number of months or fraction thereof remaining in the fiscal year of execution. For purposes of this lease agreement, the fiscal year shall be the period extending from July 1 to June 30. Each annual payment thereafter shall be due and payable on July 1 of each subsequent year.

39. SPECIAL CONDITIONS: The following special conditions shall apply to this lease: None.

IN WITNESS WHEREOF, the parties have caused this lease to be executed on the day and year first above written.

BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND OF THE STATE OF FLORIDA

Judy Woodard
Witness
Judy Woodard
Print/Type Name
Athena Baerga
Witness
Athena Baerga
Print/Type Name


By: Gloria C. Nelson (SEAL)
GLORIA C. NELSON, OPERATIONS AND MANAGEMENT CONSULTANT MANAGER
BUREAU OF PUBLIC LAND ADMINISTRATION, DIVISION OF STATE LANDS, FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION

"LESSOR"

STATE OF FLORIDA
COUNTY OF LEON

The foregoing instrument was acknowledged before me this 4th day of October, 2006, by Gloria C. Nelson, as Chief, Bureau of Public Land Administration, Division of State Lands, Florida Department of Environmental Protection, as agent for and on behalf of the Board of Trustees of the Internal Improvement Trust Fund of the State of Florida. She is personally known to me.

Michelle Brady
Notary Public, State of Florida
Print/Type Notary Name

Commission Number: NOTARY PUBLIC-STATE OF FLORIDA
Michelle Brady
Commission Expires:  Commission # DDS07113
Expires: JAN. 16, 2010
Bonded Thru Atlantic Bonding Co., Inc.

Approved as to Form and Legality
By: Samuel J. Hillier
DEP Attorney



OKALOOSA COUNTY, FLORIDA
BY ITS BOARD OF COUNTY COMMISSIONERS

By: Sherry S. Campbell

SHERRY S. CAMPBELL
Print/Type Name

Title: CHAIRMAN

(OFFICIAL SEAL)

Terresa Ward
Witness

Terresa Ward
Print/Type Name

Paul Christ
Witness

PAUL CHRISTOPHER
Print/Type Name

ATTEST: Darryl J. Stapf
County Administrator and Ex-Officio
Clerk of the Board of County
Commissioners of OKALOOSA
County



"LESSEE"

STATE OF FLORIDA
COUNTY OF OKALOOSA

The foregoing instrument was acknowledged before me this 27th
day of September, 2006, by Sherry S. Campbell and Darryl J. Stapf
Chairman as Chairman and Clerk of Court respectively, on behalf of the
Board of County Commissioners of Okaloosa County, Florida. They are
personally known to me.



Jean A. Walker
Notary Public, State of Florida
MY COMMISSION # DD230083 EXPIRES
October 27, 2007
BONDED THRU TROY FAIN INSURANCE, INC.

Jean A. Walker
Print/Type Notary Name

Commission Number:

Commission Expires: