

THIS INSTRUMENT
PREPARED BY AND RETURN TO
DENIS A. BRASLOW
ATTORNEY AT LAW
917 N. 12TH AVE
PENSACOLA, FL 32501

SANTA ROSA ISLAND AUTHORITY
SINGLE-FAMILY RESIDENTIAL LEASE

THIS LEASE AGREEMENT entered into by and between Santa Rosa Island Authority, herein called Authority, as an agency of Escambia County, Florida and **KRISTEN DEBATES** herein called Lessee whether singular or plural, whose address is 315 Wentworth Downs Ct., Duluth, GA 30097.

LEGAL DESCRIPTION

The Authority does hereby grant demise and lease to the lessee, in consideration of the rents and covenants herein reserved and contained, certain property on Santa Rosa Island, in Escambia County, Florida, described as follows:

SEE ATTACHED EXHIBIT "A" FOR LEGAL DESCRIPTION

To have and to hold the said premises unto the lessee for and during the full term and period of 99 years from November 20, 1969 or until sooner terminated as herein provided.

SECTION II
RENT

Lessee covenants and agrees to pay, and the Authority hereby reserves, an annual rental of \$1,100.00 payable annually in advance, receipt of the first year's rental being hereby acknowledged. Said assessment is subject to adjustment to reflect changes in cost of living, if any, in accordance with the U.S. Department of Labor Consumer Price Index (or the cost-of-living index of some other appropriate governmental agency), such adjustments to be made every five years in each calendar year that is divisible by five. Notwithstanding any provision hereof, this instrument is a conveyance of a leasehold interest for a term of years only and is subject to sooner termination for breach; this instrument does not constitute a conveyance of the fee simple title to Lessee, and both parties recognize that it is beyond the power of the Santa Rosa Island Authority to convey such a title to county property. The annual lease fee will in no case be less than \$1,100.00.

DEB 11/29/05

SECTION III USE OF PROPERTY

The above described property is leased to lessee as residential property for the purpose of constructing and maintaining a single-family permanent-type residence thereon. Lessee covenants and agrees at his own cost and expense, to erect and maintain a single family dwelling on said property according to and in conformity with plans to be approved by the Authority. Visible commencement of construction shall begin not later than 18 months from date of execution and said building shall be completed not later than 24 months from date, unless the times so fixed are extended for good cause by the Authority.

SECTION IV TITLE TO IMPROVEMENTS

Title to any building or improvements of a permanent character that shall be erected or placed upon the demised premises by the Lessee shall forthwith vest in Escambia County, Florida, subject, however, to the term of years granted to Lessee by the terms of this lease and to any renewal rights properly exercised thereunder. In the event Lessee shall not commence or complete the said dwelling within the times provided, and if the Lessee shall fail to commence or complete said dwelling on or prior to the date so specified, then and thereupon the terms of this lease shall cease in the same manner and with the same effect as if that were the expiration of the original term of this lease. Lessee acknowledges that it shall have no right to remove such fixed and permanent improvements from the leasehold property.

SECTION V DESTRUCTION OF PREMISES

In the event of damage to or destruction of any buildings or improvements herein required to be constructed on the demised premises by fire, windstorm, water or any other cause whatsoever, Lessee shall at its own cost, within six (6) months time, repair or rebuild such building or improvement so as to place the same in as good tenantable condition as it was before the event causing such damage or destruction. The Authority shall have the option of extending the time above, based upon good faith effort of the Lessee to do the necessary work. Failure to do so shall constitute a breach of this lease.

Subject to priority in favor of any mortgage under a mortgage clause, all insurance proceeds for loss or damage to any improvements on the demised premises shall be payable to the Authority and Lessee jointly to assure the repair or replacement of such improvements and/or leveling and cleaning of the demised premises. Lessor shall have a lien on all such insurance proceeds, regardless of whether it is named in the insurance policy, subordinate only to the claim of any mortgage under a mortgage clause to enforce the intent of the foregoing provision. If Lessee elects not to repair or replace such improvements and to abandon this lease, the Authority may, if it consents to the termination of the lease, retain \$1,000 of the proceeds (or any lesser amount received if

any) above the amount due any mortgagee under any insurance mortgage clause as compensation for the cost of restoring the demised premises to a tenantable condition and for accepting termination of this lease.

Lessee also agrees to maintain adequate fire and casualty insurance for all such damage or destruction in an amount and with a company acceptable to the Authority. Proof of insurance must be provided to the Authority on a yearly basis.

SECTION VI INDEMNITY

All property of every kind which may be on the demised premises during the term of this amended lease shall be at the sole risk of Lessee or those claiming under Lessee, and Lessor shall not be liable to Lessee, or any other person or property in or upon the demised premises. Lessee hereby covenants and agrees to assume all liability for or on account of any injury, loss or damage. Furthermore, Lessor shall not be liable to Lessee or to Lessee's employees, patrons, licensees, permittees, visitors, successors or assigns, for any damage to property or injury to person caused by the act of negligence of any other user of Lessee's facilities. Lessee accepts the leased property as wholly suitable for the purpose for which it is leased and agrees to hold Lessor harmless from all claims for any such damage.

Additionally, Lessee hereby agrees to indemnify and save harmless Lessor for and from any and all claims, demands, suits, judgments, costs, liabilities or expenses on account of any loss or injury occurring on the leased property, and if suit is brought against Lessor upon any claim pursuant to this paragraph. Lessee will, upon notice of such suit, assume the defense of the suit at Lessee's expense.

SECTION VII APPLICATION OF COVENANTS AND RESTRICTION AND COMPLIANCE WITH LAWS

This lease and the demised premises are expressly subject to and bound by the Covenants and Restrictions applicable to property on said Island, dated February 10, 1949, and recorded in Deed Book 294, at Page 303 of the public records of said County; and the said Covenants and Restrictions are made a part hereof, as if fully set forth herein. Furthermore, this lease and the demised premises shall always be subject to applicable covenants, restrictions and building codes adopted from time to time by Lessor and any other governmental agency having authority the leased property.

Lessee agrees to comply with all laws, ordinances, rules and regulations now in effect or hereafter enacted by any governmental body having jurisdiction over the demised premises, including but not limited to those necessary for the protection of the environment or the ecology of Santa Rosa Island, and Lessee shall not make or allow to be made any unlawful, improper or offensive use of the demised premises in a lean and

attractive and safe condition. Lessee further agrees to exercise all reasonable safety measures in the operation of its business for the protection of the public.

Lessee further covenants and agrees as follows:

- a) Not to use or occupy the demised premises for any purpose or business other than herein specified, nor permit the same, without the prior written consent of the Authority.
- b) Not to knowingly permit or suffer any nuisance or illegal operations or course of conduct of any kind of the demised premises.

The Authority further covenants and agrees that if the Lessee shall pay the assessment as herein provided and shall keep, observe and perform all of the other covenants of this lease to be kept, observed and performed by the Lessee, the Lessee shall peaceably and quietly have, hold and enjoy the said premises for the term aforesaid.

SECTION VIII UTILITIES

Lessee shall pay for all its requirements for utilities including but not limited to gas, steam, water, electricity and sewer charges. Lessee further agrees to use exclusively, if proved by Lessor, such public utilities and public service relating to health and sanitation as may from time to time be made available by Lessor or by others pursuant to agreements, licenses or permits with Lessor. Nothing in this paragraph shall obligate Lessor to provide any service. The reasonableness of rates fixed by the Authority shall always be subjected to judicial review.

SECTION IX REPAIRS AND MAINTENANCE

Lessee shall, at its own cost and expense repair, replace and maintain the leased property in a good, safe and substantial condition and shall use all reasonable precaution to prevent waste damage or injury to the leased property.

SECTION X ASSIGNMENT AND TRANSFERS

Lessee may sell, assign or mortgage this lease, without the prior written approval of the Lessor. Lessee may not sell or assign this lease in part without the prior written approval of the Lessor.

So long as the mortgagee keeps on file with the Authority a proper address, notice of any default by the Lessee will be sent to the mortgagee at said address at the same time notice of default is sent to the Lessee and this lease may not be terminated for such default until

thirty (30) days after such notice during which period either the mortgagor or mortgagee may remedy the default.

Each and all of the provisions, agreements, covenants and conditions of this amended lease shall extend to, and shall bind and be obligatory upon, or inure to the benefit of the successors, sublessees, underlessees and assigns of the parties.

SECTION XI
TAXES AND ASSESSMENTS

Lessee shall pay and discharge all existing and future taxes, sales taxes, use taxes, assessments, duties, impositions and burdens assessed, charged or imposed upon the leased property.

SECTION XII
LESSOR'S ACCESS

Lessor and Lessor's agent shall at all reasonable times have access to the leased property for the purpose of inspecting and determining whether Lessee has complied with its obligations pursuant to this amended lease.

SECTION XIII
ENFORCEMENT OF LEASE; FORFEITURE;
DEFAULT; REMEDIES; NONWAIVER; ATTORNEY'S FEE

Lessor may enforce the performance of this amended lease in any manner provided by law. The following actions or failures on the part of the Lessee shall constitute a default under the terms of this lease.

- (1) If Lessee shall desert or vacate the leased premises;
- (2) If default shall be made by the Lessee in the payment of rent as specified in this lease;
- (3) If Lessee fails to properly develop the property in the manner and within the time frame specified;
- (4) If default shall be made by Lessee in the performance of any of the terms or conditions of this amended lease that Lessee is to perform;
- (5) If Lessee shall fail to comply with any of the statutes, ordinances, rules or regulations of any governmental body governing or regulating the Lessee's business;
- (6) If Lessee shall file a petition in bankruptcy or make an assignment

of the benefit of creditors, or be adjudicated a bankrupt, or take advantage of any insolvency act.

In the event any portion of the rental is not paid on or before the time of payment herein fixed, or in the event the Lessee shall default in the performance or breach of any of the other covenants, conditions, terms and provisions of this lease and shall continue in such non-payment, default within thirty (30) days notice in writing from the Lessor; and unless Lessee shall have completely removed or cured the default within thirty (30) days from the date of Lessor's notice of intention to declare the lease forfeited, this lease shall come to an end as if the date established by notice of forfeiture were the date originally fixed herein for the expiration of the term of this amended lease without any further notice from Lessor to Lessee. Lessor's agent or attorney shall have the right, without further notice or demand to reenter and remove all persons and Lessee's property from the leased property without being deemed guilty or any trespassing.

In the event full payment of all rentals due shall not be made to the Authority within seven (7) days after the date on which such payment becomes due, there shall be a late charge payment of ten percent (10%) of the amount due, provided, however, the late charge payable between the 8th and 30th day after the date said rental payment becomes due shall be a minimum of \$25 or ten percent (10%), whichever is greater; and the late charge payable after thirty (30) days from date payment becomes due shall be a minimum of \$100 or ten percent (10%), whichever is greater. All monies shall bear interest at the rate of 1 ½ % per month from their due date.

SECTION XIV WAIVERS

The failure of Lessor to insist, in any one or more instances, on the strict performance of any of the terms or conditions of this amended lease, or to exercise any option set forth in this lease, shall not be construed as a future waiver, or relinquishment of the provision or option, but it shall continue and remain in full force and effect. The receipt by Lessor of rent, with knowledge of the breach of any term or condition hereof, shall not be deemed a waiver of the breach and no waiver by Lessor of any provision hereof shall be deemed to have been made unless expressed in writing and signed by Lessor.

Failure on the part of Lessor to complain of any action or nonaction on the part of Lessee, no matter how long it may continue shall never be deemed to be a waiver by Lessor or any of its rights under this lease. Further, it is covenanted and agreed that no waiver at any time of any of the provisions of this lease by Lessor to or of any action by Lessee requiring Lessor's consent to approval shall not be deemed to waive or render unnecessary Lessor's consent or approval to or of any subsequent similar act by Lessee.

If the Authority retains attorneys to assist it in the collection of any sums due hereunder which are not paid on the due date, to enforce any of the provisions of this lease or to seek its termination, Lessee shall pay reasonable attorney's fees, whether or not suit is

necessary, and if proceedings are begun or had to collect any sums falling due hereunder, to enforce any provisions hereof or to terminate this lease, Lessee shall pay all costs, expenses and charges incurred in said proceedings, including costs incurred for any appeals.

It is expressly agreed and understood that this section is a material part of this lease and that the Authority entered into this lease and agreed to the terms and conditions set forth herein, in reliance on its rights set forth in this section.

SECTION XV
AMENDMENT

This lease may not be altered, changed or amended except by an instrument in writing signed by both parties.

SECTION XVI
END OF TERM

Upon the expiration or sooner termination of this lease, Lessee shall be allowed a period of fifteen (15) days in which to remove all personal property, and Lessee shall surrender possession of the land and improvements in as good state and condition as reasonable use and wear will permit.

SECTION XVII
RENEWALS

In event Lessee shall fully perform all the terms, provisions and conditions on his part to be performed for the full term of this lease, Lessee shall have the right and privilege, renew this lease for a further term of 99 years, terms and conditions to be negotiated, by giving the Authority written notice of such election to renew no later than six (6) months prior to the expiration of the original term.

SECTION XVIII
PARAGRAPH HEADINGS

The paragraph headings in this lease are intended for convenience only and shall not be taken into consideration in construction or interpretation of lease or any of its provisions.

SECTION XIX
ENTIRE AGREEMENT

Except as provided below, this instrument constitutes the entire agreement between Lessor and Lessee on the subject of this lease, and all prior or contemporaneous oral or written agreements or representations of any nature with reference to the subject matter of this

lease are canceled and superseded by the provisions of this lease.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this the 14th day of January, 2009.

WITNESSES:

Lisa Thorsen
Name: Lisa Thorsen

Debra Floyd
Name: Debra Floyd

SANTA ROSA ISLAND AUTHORITY

By: Thomas E. Blas
CHAIRMAN Thomas E. Blas

ATTEST:

Jimmie Perkins
SECRETARY (ACTING) Jimmie Perkins

WITNESSES AS TO LESSEES:

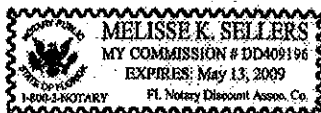
Kim Fletcher
Name: Kim Fletcher

Kristen Debates
Name: Kristen Debates

Kristen Debates
LESSEE Kristen Debates

STATE OF FLORIDA
COUNTY OF ESCAMBIA

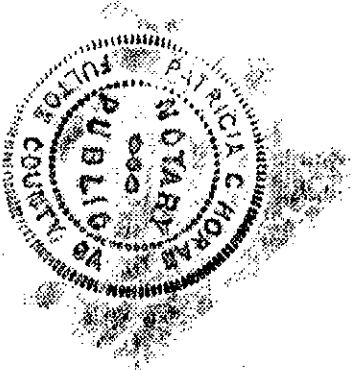
January The foregoing instrument was acknowledged before me this 14th day of January, 2009, by Thomas E. Blas, as Chairman and Jimmie Perkins, as Secretary of the Santa Rosa Island Authority, who are personally known to me or who have produced (personally known) as identification.



Melisse K. Sellers
NOTARY PUBLIC
My Commission Expires: May 13, 2009

STATE OF GEORGIA
COUNTY OF FULTON

The foregoing instrument was acknowledged before me this 8th day of December, 2005, by KRISTEN DEBATES, who are personally known to me or who have produced 071686513 as identification.



Patricia C. Horan
NOTARY PUBLIC
My Commission Expires: _____

Patricia C Horan
Notary Public, Fulton County, Georgia
My Commission Expires May 11, 2007

EXHIBIT "A"

Lot 6, White Sands Cottages, according to the plat thereof, as recorded in Plat Book 16, at Page 14, of the Public Records of Escambia County, Florida.