

MCDONALD

FLEMING

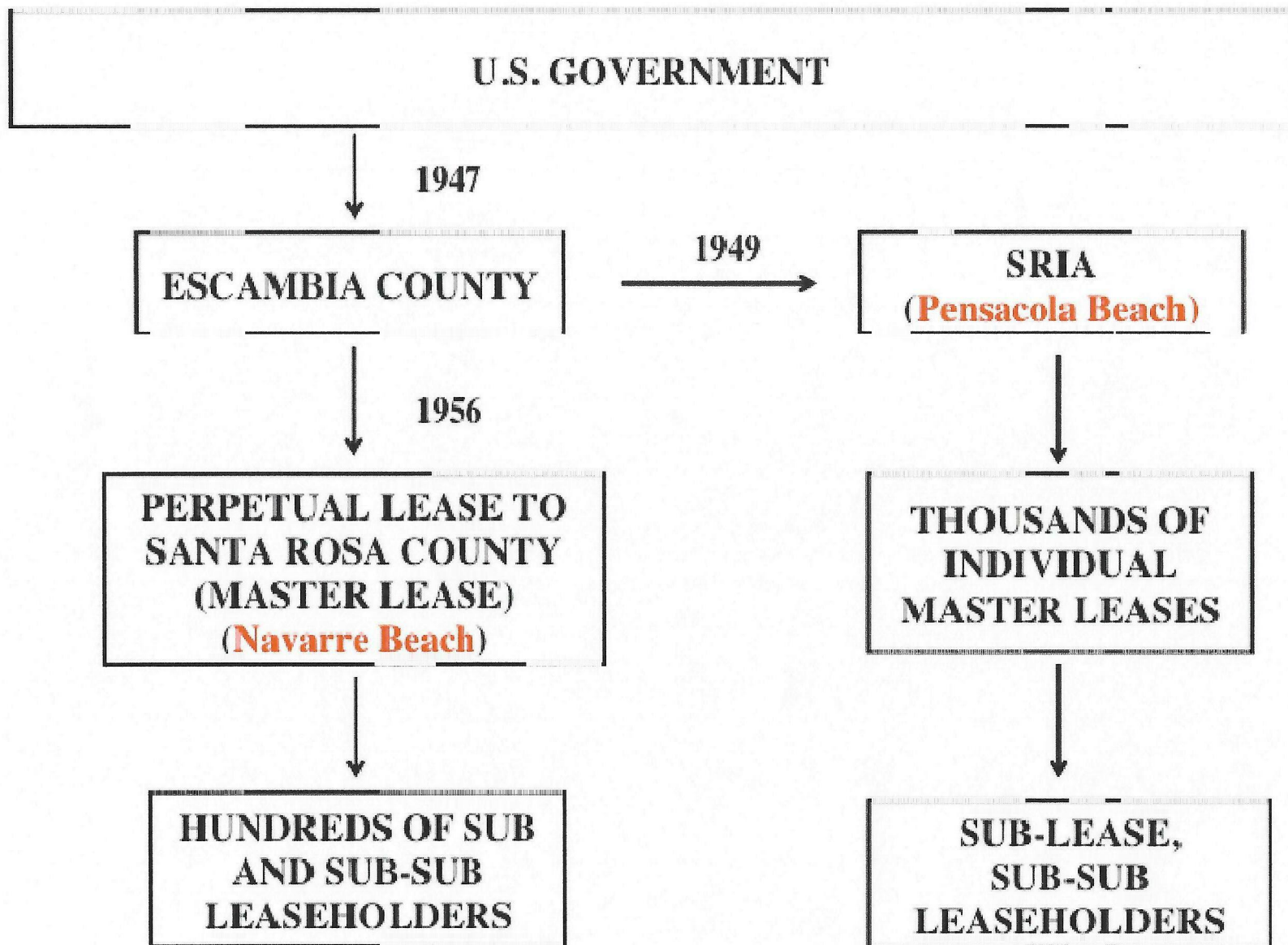
MOORHEAD

A T T O R N E Y S A T L A W

Edward P. Fleming

R. Todd Harris

TITLE HISTORY OF SANTA ROSA ISLAND



**LINE DRAWING GOVERNING TAX TREATMENT OF
LEASEHOLDS ON GOVERNMENT-OWNED LAND**

DURATION OF LEASE (Land and Improvements)	
← 100 years →	
<u>Land Taxed as Intangible</u> <i>Fla. Stat. §196.199(2)(b)</i> <i>Island Resorts v. Jones</i> (Finite 99 year lease; no right to renew)	<u>Land Taxed as if Owned</u> <i>Accardo v. Brown</i> (Leases in perpetuity)

Losing “Lease”

Accardo v. Brown

Perpetual Lease Language

“If lessee shall fully perform all the terms, provisions and conditions on its part to be performed for the full term hereof, this lease shall automatically be renewed for a further term of ninety-nine (99) years on the like covenants, provisions and conditions as are in this lease contained, including the right in the lessee for further renewals.” (emphasis supplied)

Winning Lease

Island Resorts

99 Year Lease

[“Right” to Renewal Illusory]

“In the event Lessee shall fully perform all of the terms provisions and conditions on its part to be performed for the full term of this lease. Lessee shall have the full right and privilege at its election to renew this lease for a further term of ninety-nine years by giving the Authority written notice of such election to renew not later than six months prior to the expiration of the original such. (sic) Terms, provisions and conditions of renewed lease to be mutually agreed to by both parties.” *(emphasis supplied).*

Alternative Renewal Language #1

[Right to Renewal Illusory]

SECTION XVII

RENEWALS

In the event Lessee shall fully perform all the terms provisions and conditions of his part to be performed for the full term of this Lease, and provided that there is no default, whether monetary or non-monetary, under this Lease, Lessee shall have the right and privilege, at his election, subject, however, to the Authority's prior written consent and approval to renew this Lease for a further term of ninety-nine (99) years, commencing from the expiration date of the prior ninety-nine (99) year term, by giving the Authority written notice of such election to renew not later than six (6) months prior to the expiration of the original term. **Such renewal shall be subject to renegotiation, and shall require the Authority's prior written consent and approval.**

Alternative Renewal Language #2

[Right to Renewal Illusory]

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.

Alternative Renewal Language #3

[Right to Renewal Illusory]

SECTION XVII

In the event Lessee shall fully perform all the terms provisions and conditions of his part to be performed for the full term of this Lease, Lessee shall have the right and privilege to renew this Lease for a further similar period by giving the AUTHORITY written notice of such election to renew not later than six (6) months prior to the expiration of the period of the Lease. Terms and conditions of the renewal lease may be changed or modified by AUTHORITY based on laws, statutes and AUTHORITY policies in effect at that time.

Alternative Renewal Language #4

[Right to Renewal Illusory]

RENEWALS

In the 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, at his election, to renew this Lease for a further term of years by giving the Authority written notice of such election to renew not later than six (6) months prior to the expiration of the original term. **Such renewal shall be subject to renegotiation.**

Alternative Renewal Language #7

[one renewal]

SECTION XVII RENEWALS

In the event Lessee shall fully perform all of the terms, provisions and conditions on its part to be performed for the full term of this Lease, Lessee shall have the right and privilege, to renew this Lease **for a further term of twenty-five years, 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. Such renewal shall be in the like covenants, provisions and conditions as are in this lease contained.**

Alternative Renewal Language #6

[Right to Renew Illusory]

RENEWALS

In the 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, at his election, to renew this Lease for 30 years by giving the Authority written notice of such election to renew prior to the expiration of the original term. The annual rental guaranteed herein shall be assessed at the rate established as the average annual rental of single-family residential leases at the time of said renewal. All other terms and conditions are subject to negotiation.

Alternative Renewal Language #5

[Right to Renew Illusory]

(3) Said lease is hereby amended to include a new Section (19) as follows:

(19) 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 to renew this lease for a further term of 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. **This option to renew shall be included in subleases under said lease without cost to the respective sublessees for the option to renew.**

Email Your Lease

pensacolabeachlease@gmail.com