

Term Sheet

- Amendment of existing transaction
- Purchase of approx. 72,500 with an option to purchase the remaining acreage approx 107,500 acres for up to 10 years.
- The SFWMD intends to proceed with the remaining acquisition acreage when the economy, the bond market and the SFWMD's financial position improve to the point where it is feasible to complete the acquisition without impacting the SFWMD's core operations.
- No later than 5 years after closing on the initial acquisition, the SFWMD and USSC will meet to discuss the realistic time frame for the closing on the remaining approximately 107,500 acres.
- During the initial 10 years, SFWMD will have a right of first refusal on the remaining approximately 107,600 acres. However, the remaining acreage lying between the Miami Canal and US 27 will have a 3 year freeze on USSC's ability entertain offers, sell or accept third party offers. After the 3 year period, SFWMD will have a right of first refusal on the area between Miami Canal and US 27.
- Initial purchase of approx 72,500 acres for \$533,734,640 (approx. 32,000 acres of citrus and 40,500 acres of cane)
- For initial 7 years, USSC will lease all cane land at \$150 per acre.
- If SFWMD elects to lease any of the citrus land and does not receive any responsive bids, US Sugar agrees to manage the citrus properties at no cost to SFWMD. US Sugar may give one years notice to vacate the properties or portions of the properties if it becomes no longer economically viable to farm the property. If USSC places cane on any citrus land it is managing, than the same 2 year notice provision for cane and the then existing lease rate for sugar cane will apply.
- If acquisition on the remaining 107,500 acres is not closed by year 7, then USSC lease extends additional 3 years at continued \$150/ac. If SFWMD does not exercise its option on the remaining 107,500 acres by year 10, then USSC lease extends another 10 years at Market Rent as determined by the appraisal process shown below.
- SFWMD may take up to 32,000 citrus acres with one year's notice after closing. In addition, SFWMD may take up to 10,000 acres of sugarcane property in the first ten years with two (2) year notification for Governing Board approved and funded project.

- SFWMD may also take up to maximum of 3,000 acres of transition lands at any time for such lands that are not planted in cane. Land with cane will continue under the lease agreement at the then existing lease rate. Lease will continue for period of seven years for land with cane. After seven years the lease can only be terminated if the SFWMD or subsequent owners are going to start construction on a fully permitted and funded development or other local government project.

- If the SFWMD elects not to go forward on the acquisition of the remaining approx. 107,500 acres during the first ten years, then it has the right to takedown an additional 10,000 acres of cane land during years eleven through twenty with two (2) year notification for a Governing Board approved and funded project.

- If the SFWMD goes forward with the acquisition of the remaining approx. 107,500 acres during the first ten years, then any property not needed for immediate construction will be leased back to USSC at Market Rate through year 20.

- FMV for remaining approx. 107,500, acquisition acreage and the Market Rent will be determined by:

- US Sugar and SFWMD each select individual appraiser
- If two appraisals within 10%, then average of appraisals will be utilized
 - If two appraisals not within 10%, USSC and SFWMD will agree to a third appraiser to perform an appraisal
 - - The average of the two closest appraisals will establish the purchase price
 - - If final appraisal number on the remaining 107,500 acres is less than \$7400/acre, USSC has the right to reject the acquisition

- The current Purchase and Sale agreement and Lease will be the documents modified for this transaction. Modifications will be made to conform to this new agreement. Most of the documents will remain unchanged but some changes will be necessary such as the following:

- Environmental remediation – The original \$16.5 million environmental remediation cost to be paid will be reduced to \$6.6 million.

- BMP's – BMP agreement will be used only as it applies to the approximately 72,500 acres being purchased.

- Lease – As previously agreed with modifications to the lease acreages, 7 year term with extensions, \$150/acre rental or Market Rent etc.

- Environmental basket and lease deposit – Reduced from \$10 million to \$4 million

- Exhibits will be modified to reflect the 72,500 acres purchased. Outdated exhibits will be eliminated (such as leased acres).

- Amendment of existing Agreement is subject to negotiations between SFWMD and USSC

- Amendment of existing Agreement is contingent on SFWMD and USSC Board approvals