



Reviving
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Everglades Land Acquisition Project

Governing Board Workshop
January 12, 2009

Everglades Land Acquisition Presentation Overview



- Acquisition Agreement
 - Closing Conditions
 - Due Diligence
- Legal Update
- Public Planning Process
- Financing
- Economic Transition
- Action Items & Next Steps

Everglades Land Acquisition Today's Action Items



- Determination on fulfillment of Due Diligence
- Notice to U.S. Sugar regarding leases



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Purchase Agreement
Sheryl Wood
General Counsel

Purchase Agreement Timeline

- December 16 – District Governing Board approved Agreement with revisions
- December 23 – Agreement executed by all parties (effective date)
- January 15 – District determination of satisfaction with due diligence



Purchase Agreement Closing Conditions



- District's obligation to close subject to conditions precedent including:
 - USSC termination of rejected leases
 - Funding
 - Litigation/violations
 - Title and survey matters
 - Compliance with Agreement
 - Closing documentation

Purchase Agreement Closing Conditions



USSC termination of rejected leases

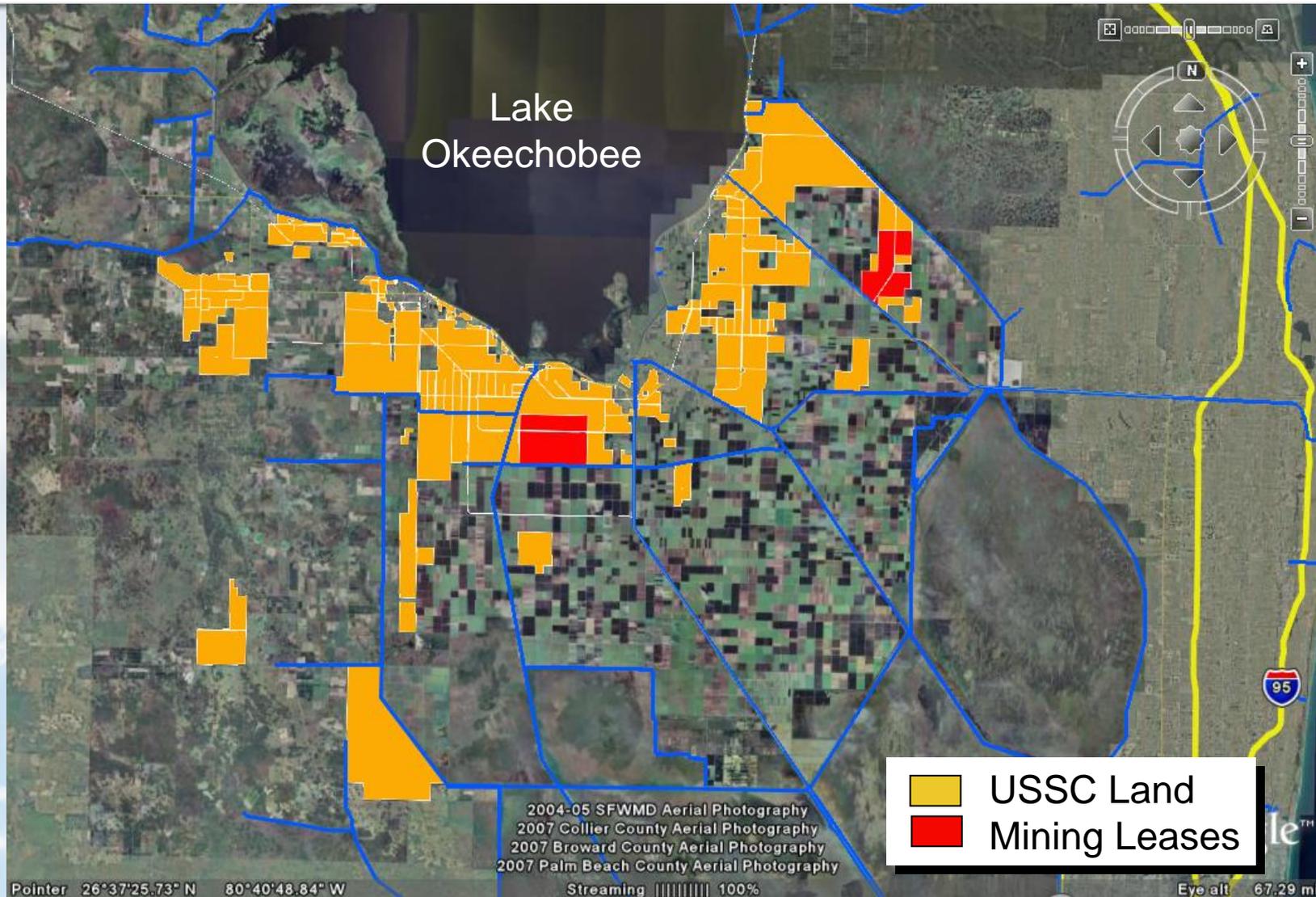
- Seller must terminate all leases the District elects not to assume

Closing Conditions Tenant Leases



- District must provide written notice of rejected leases
- Staff recommends rejection of the assumption of Florida Rock mining lease
- Other leases include the Stewart Mining lease, and several residential, commercial and agricultural leases; no concerns

Tenant Leases USSC Mining Acreage



Purchase Agreement Closing Conditions



Funding

- Validation shall have occurred by July 10, 2009 and COPs issued at interest rates & terms acceptable to District
- District's satisfaction that amount of debt and debt service necessary to finance transaction does not adversely affect District capacity to continue to fulfill its statutory, contractual, and other legal obligations and mandates based on historical and projected operations
- The District's Credit Provider shall have approved the form of the Lease

Purchase Agreement

Other Closing Conditions



- Litigation/ Violations
- Title and Survey Matters
- Compliance with Agreement
- Closing Documentation
 - Including permit transfers
 - Water Use renewal applications must be submitted by February 28
 - Parties may agree in writing to a transfer schedule and procedures

Purchase Agreement Additional Provision



- **Go Shop Provision – Section 25**
 - Seller is allowed to accept a superior offer up until validation of the COPs.
 - If Seller obtains a superior proposal, the District may elect to counter.
 - If the District does not elect to make a superior offer, it may terminate the transaction and receive from Seller a \$40.2M termination fee.

Purchase Agreement Due Diligence Status



- Relocation Agreements –
Extend date for agreement until
March 14
 - Railroad
 - Easements
- Best Management Practices
(BMP) agreement
- Insurance claims & litigation
- Prior converted cropland letters

Purchase Agreement

Contract Milestones Prior to Closing

Jan. 15, 2009

Deadline for Inspection Matters

**Jan. 31, 2009 –
30 days before
closing**

**Deadline for notice of
rejected leases**

March 14, 2009

**Deadline for Relocation
Agreements**

Purchase Agreement Contract Milestones Prior to Closing

Anytime before Closing

(Preliminary revenues will be known in June; Interest rate & terms may be known earlier)

July 10, 2009

Sept. 25, 2009

Consider Funding Contingencies

- Interest rate & terms
- Debt & debt service

**Deadline for validation
of COPs**

Closing

Everglades Land Acquisition Today's Action Items



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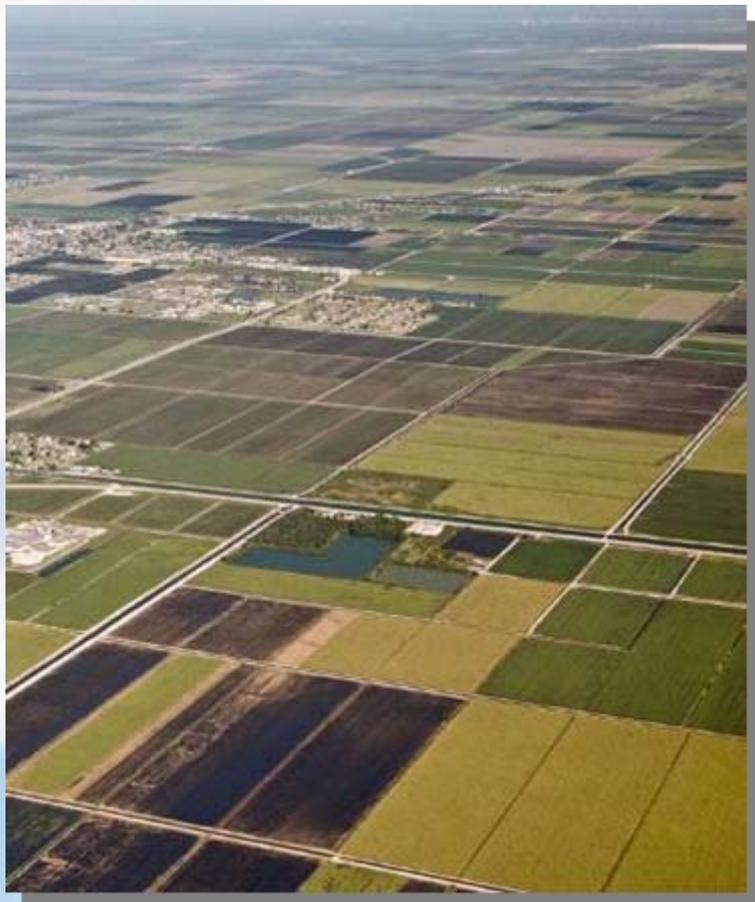
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Legal Update

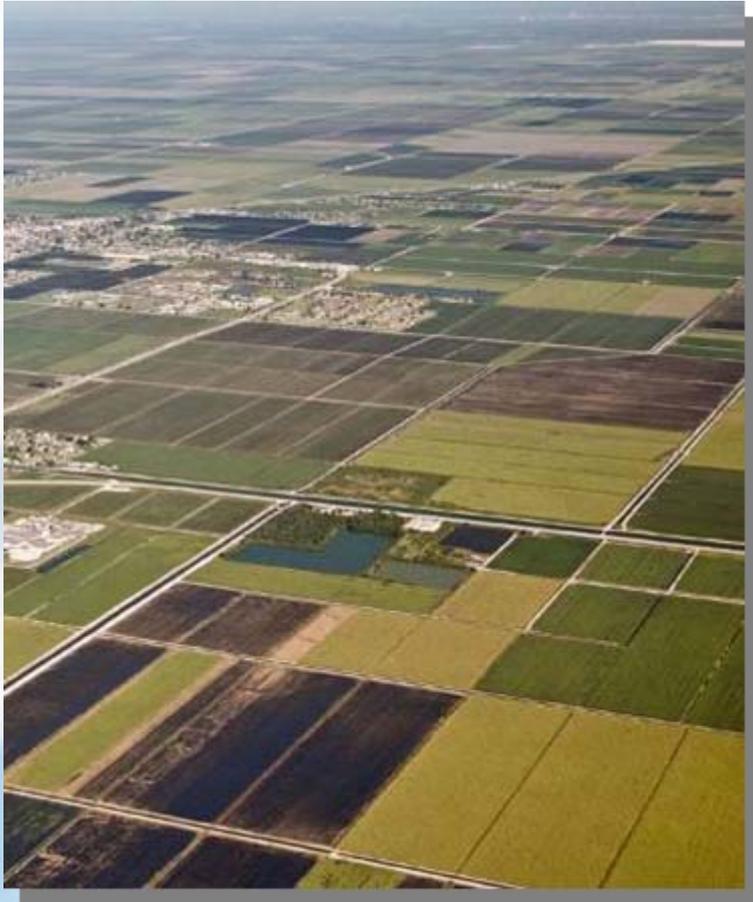
Sheryl Wood
General Counsel

Bond Validation



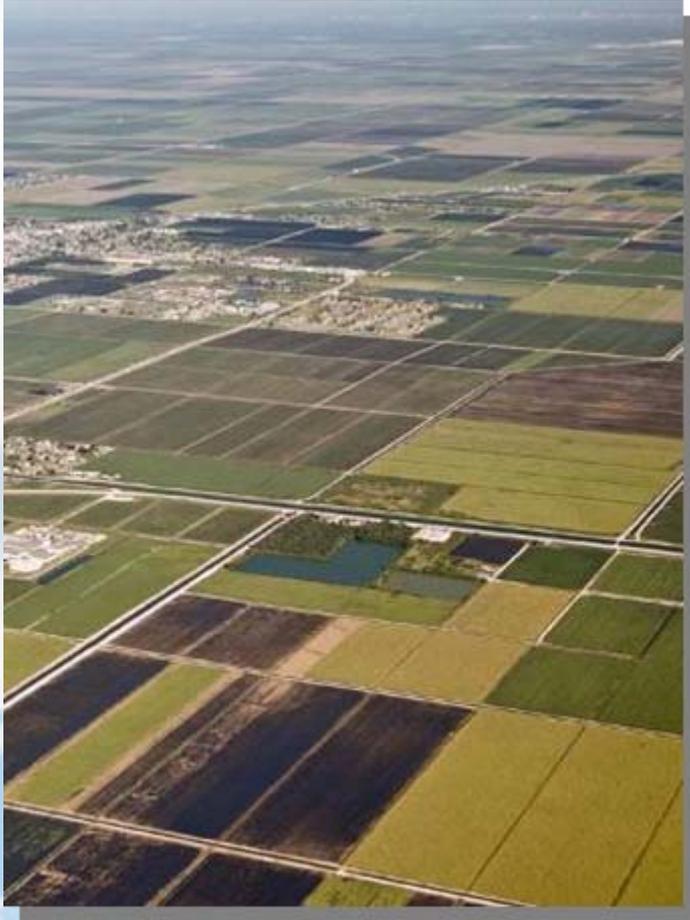
- Hearing scheduled for February 6
 - Palm Beach County Circuit Court
 - District represented by Bryant, Miller & Olive and Office of Counsel staff

Bond Validation



- Opposition to validation of bonds filed by:
 - New Hope Sugar Co. and Okeelanta Corp
 - Dexter Lehtinen
- Depositions ongoing

New Hope Sugar Co. and Okeelanta Corp. v. South Florida Water Management District

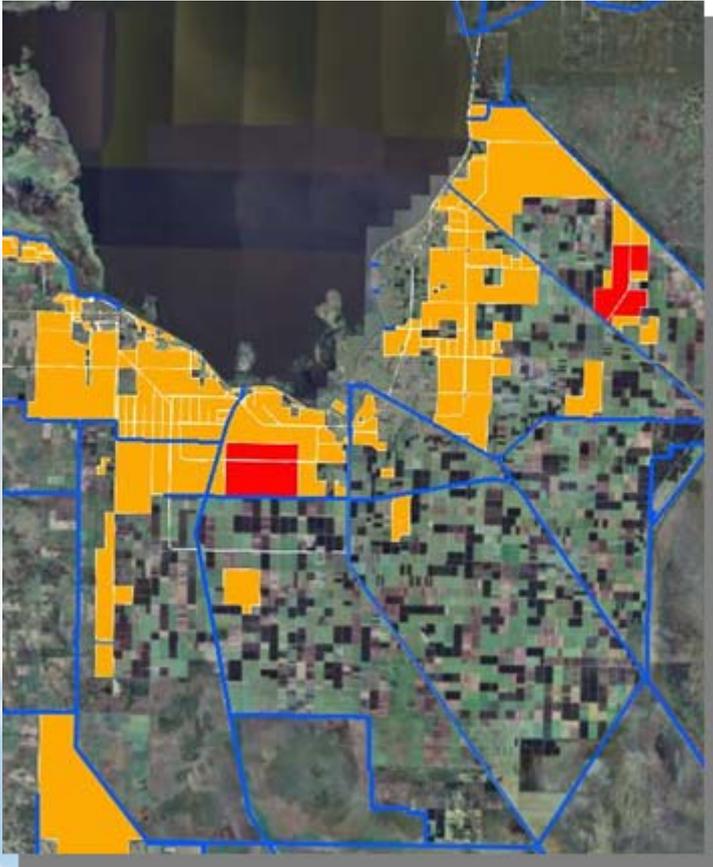


- Filed January 6
- Petition for Administrative Hearing
- Petition requests approval of Purchase and Sale Agreement to be declared invalid
- Office of Counsel reviewing petition for compliance with uniform rule requirements
- Request must be granted or denied within 15 days

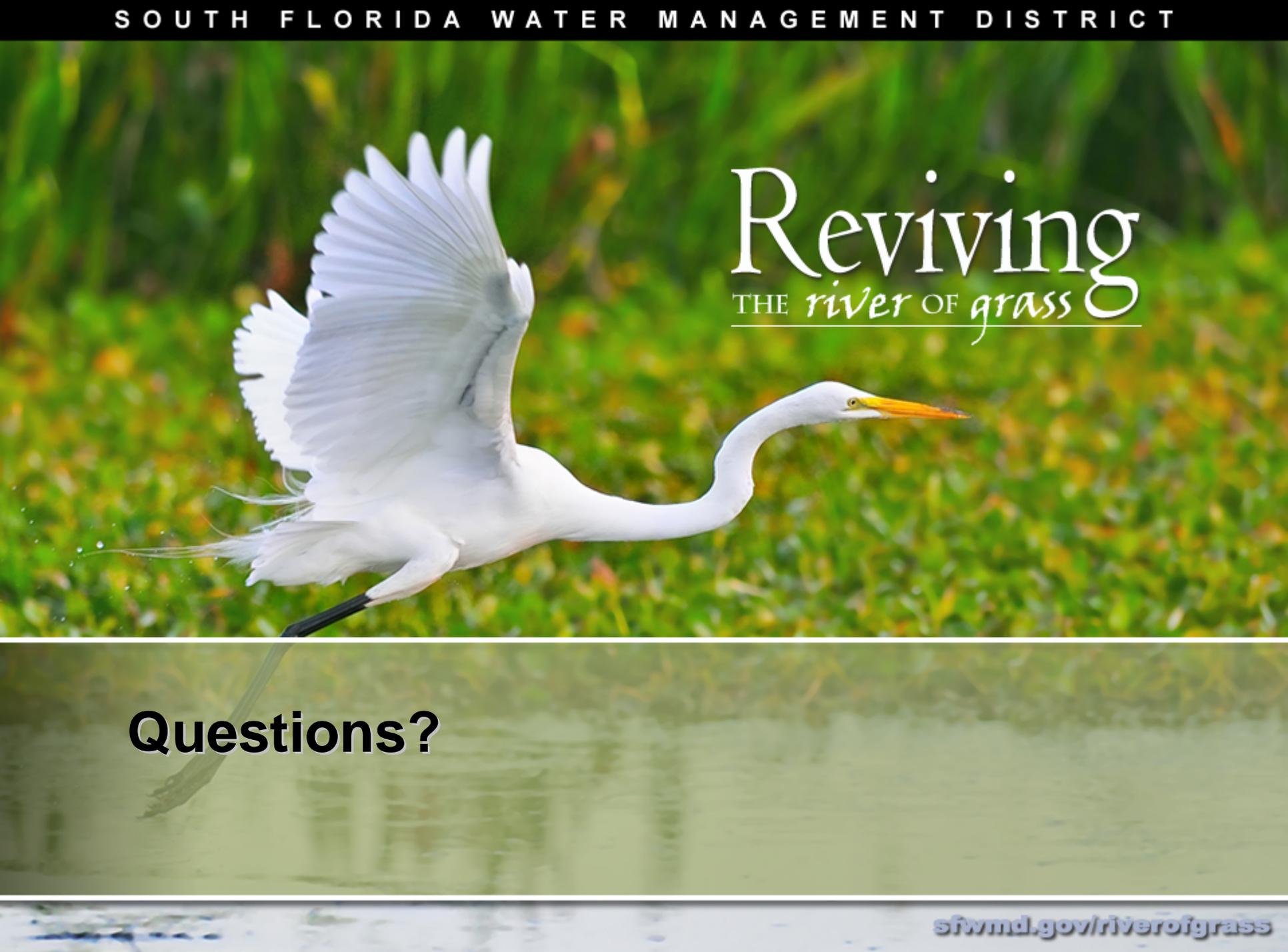
New Hope Sugar Co. and Okeelanta Corp. v. South Florida Water Management District

- If not in compliance, Petition may be dismissed with leave to amend (21 days to resubmit)
 - If Amended Petition is filed and still not in compliance, it may be dismissed with prejudice
 - Dismissal with prejudice may be appealed to the 4th District Court of Appeal
- If in compliance, Petition is forwarded to Department of Administrative Hearings
 - Judge conducts formal proceedings and submits Recommended Order to the Governing Board
 - Governing Board considers Recommended Order and enters Final Order
 - Final Order may be appealed to the 4th District Court of Appeal

Florida Rock Industries v. U.S. Sugar Corp



- Filed December 31, 2008
- Circuit Court in Palm Beach County
- Florida Rock filed a complaint alleging breach of contract known as the Mining and Excavation Lease Agreement (Lake Harbor Quarry)
- District not a party to litigation, but could materially impact the contract

A white egret is captured in mid-flight, its wings fully extended, flying over a body of water. The background is a lush green field of grass. The text 'Reviving THE river OF grass' is overlaid on the right side of the image.

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Questions?



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Planning Process

Kenneth G. Ammon, P.E.
Deputy Executive Director, ERRRA

Everglades Land Acquisition Planning Process



- Implement Governing Board direction, moving forward with:
 - Establishing Everglades Hydrologic Restoration Targets
 - River of Grass Phase I Planning
 - WRAC Issues Workshops

Planning Process

Hydrologic Restoration Targets



- Technical workshop on January 14-16:
 - Establish hydrologic target range for restoration of the Everglades and Florida Bay
 - Review latest science associated with hydrologic stage and flow targets
 - Present hydrologic and ecological data that support restoration of the greater Everglades system
 - Provide input to the State and District to determine policy opinion/position on restoration volumes for use in the River of Grass planning process

Planning Process

River of Grass Phase I Planning



- WRAC Issues Workshops
 - Evaluate alternative storage and treatment configurations in association with the River of Grass land acquisition
 - Consider storage and treatment needs in the Northern Everglades and Everglades Agricultural Area
 - Identify viable configurations
 - Determine impacts and benefits of identified viable configurations, i.e. environmental, costs, economics

Planning Process

River of Grass Phase I Planning (cont.)

- Develop preliminary implementation costs of:
 - Environmental remediation
 - Land management
 - Planning and engineering
 - Construction, construction management and engineering during construction

River of Grass Phase I Planning Timeline

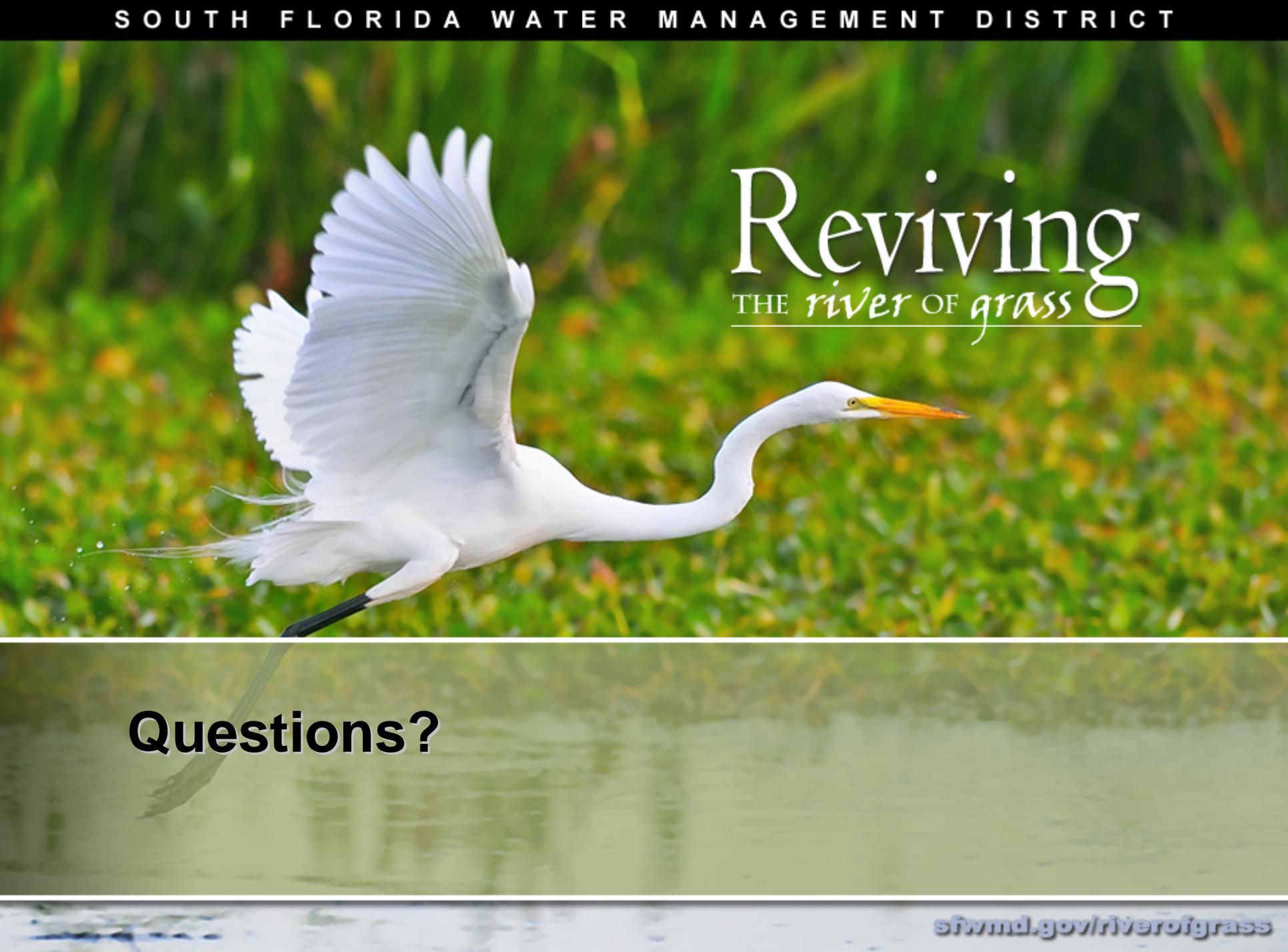


- WRAC Issues Workshops January through July, bi-monthly or monthly as needed
- First workshop scheduled for January 22
 - 10:00 a.m. – 4:00 p.m.
 - John Boy Auditorium, Clewiston
 - Opportunities for public involvement and comments

River of Grass Phase I Planning Deliverables



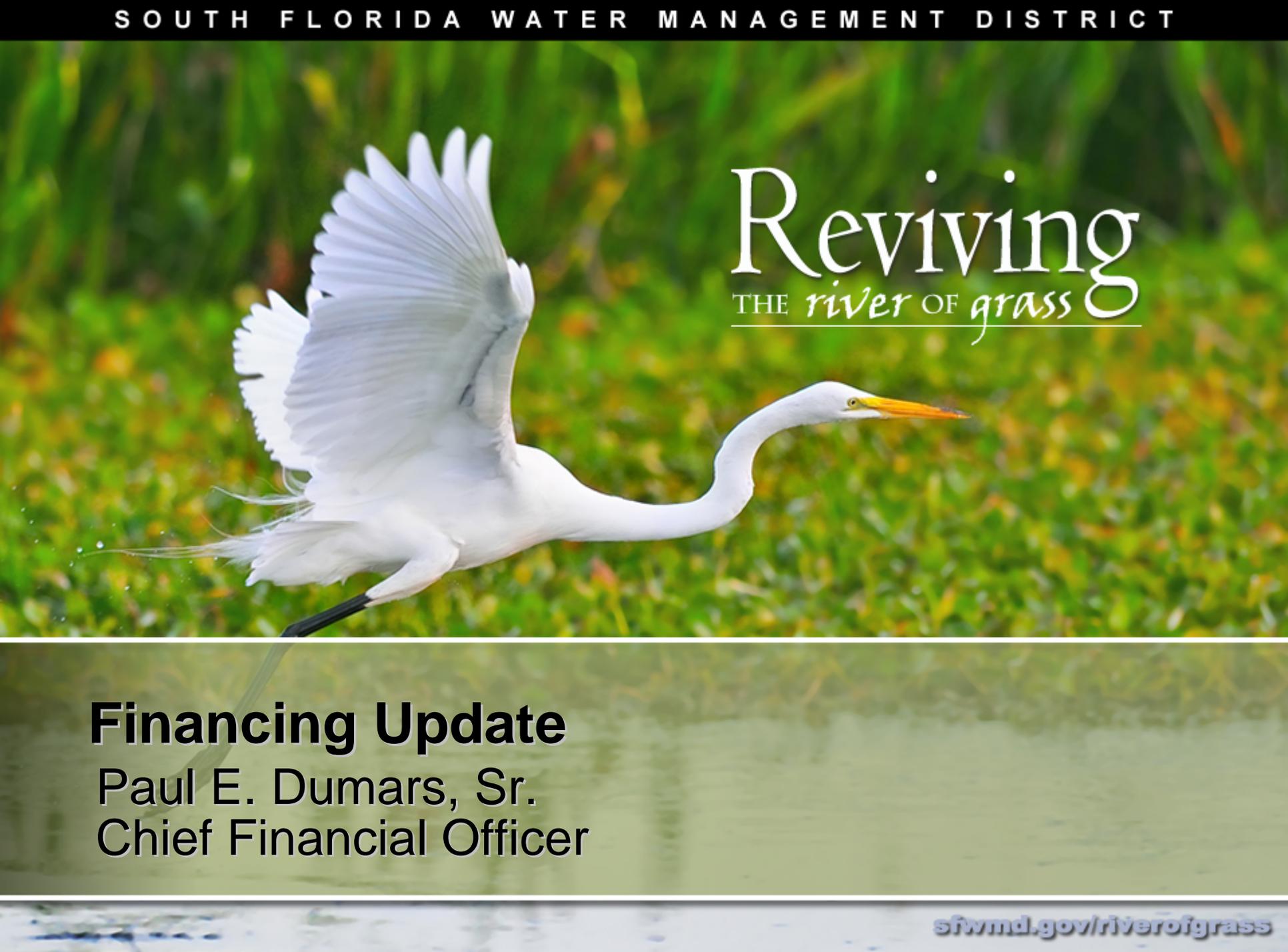
- Updates monthly to Governing Board
 - Initial draft alternatives scheduled for June completion
 - Final draft alternatives presented to August Governing Board to support decision making
 - More detailed future planning phases will continue after August Governing Board



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Financing Update

Paul E. Dumars, Sr.
Chief Financial Officer

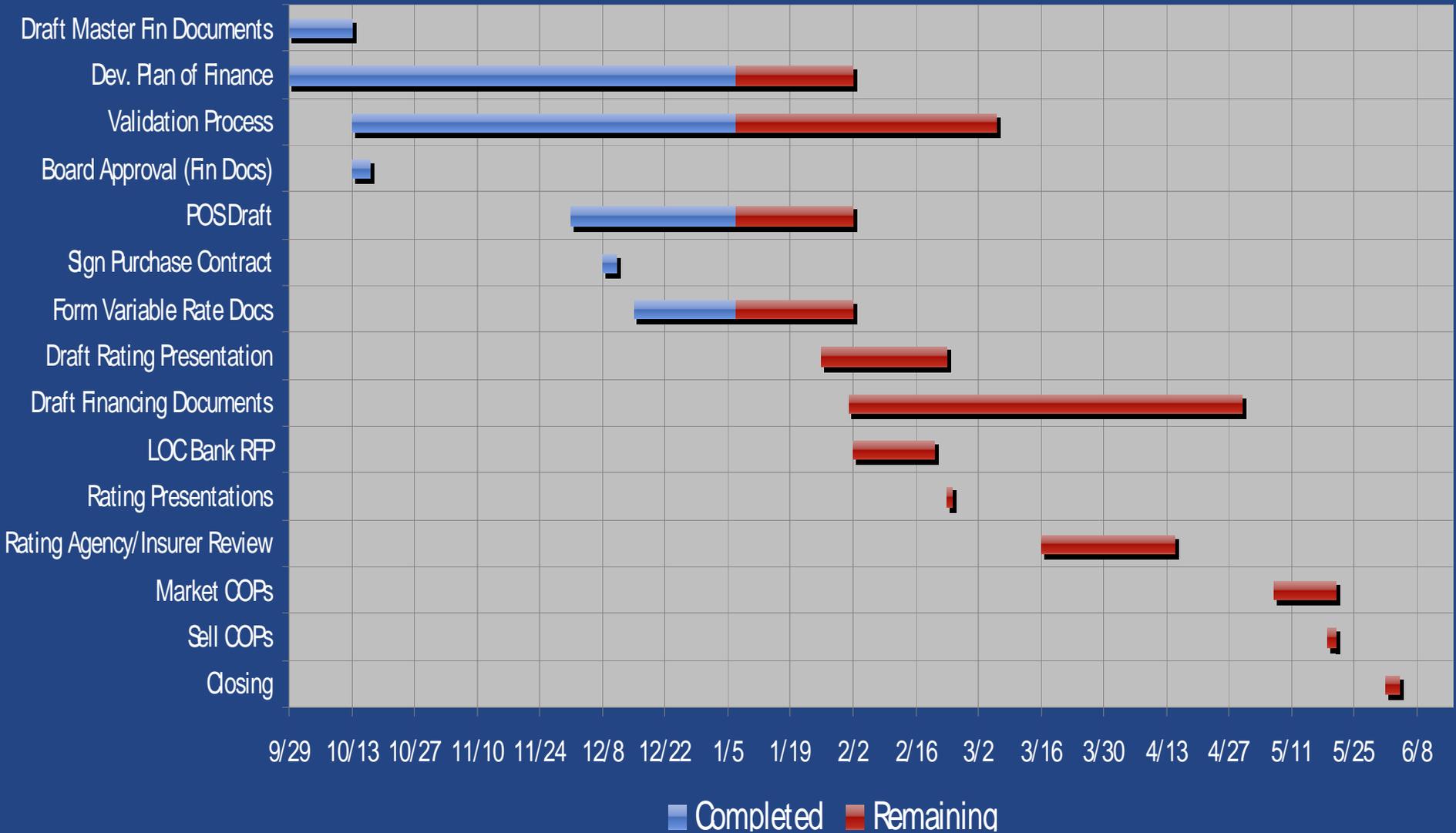
Financing

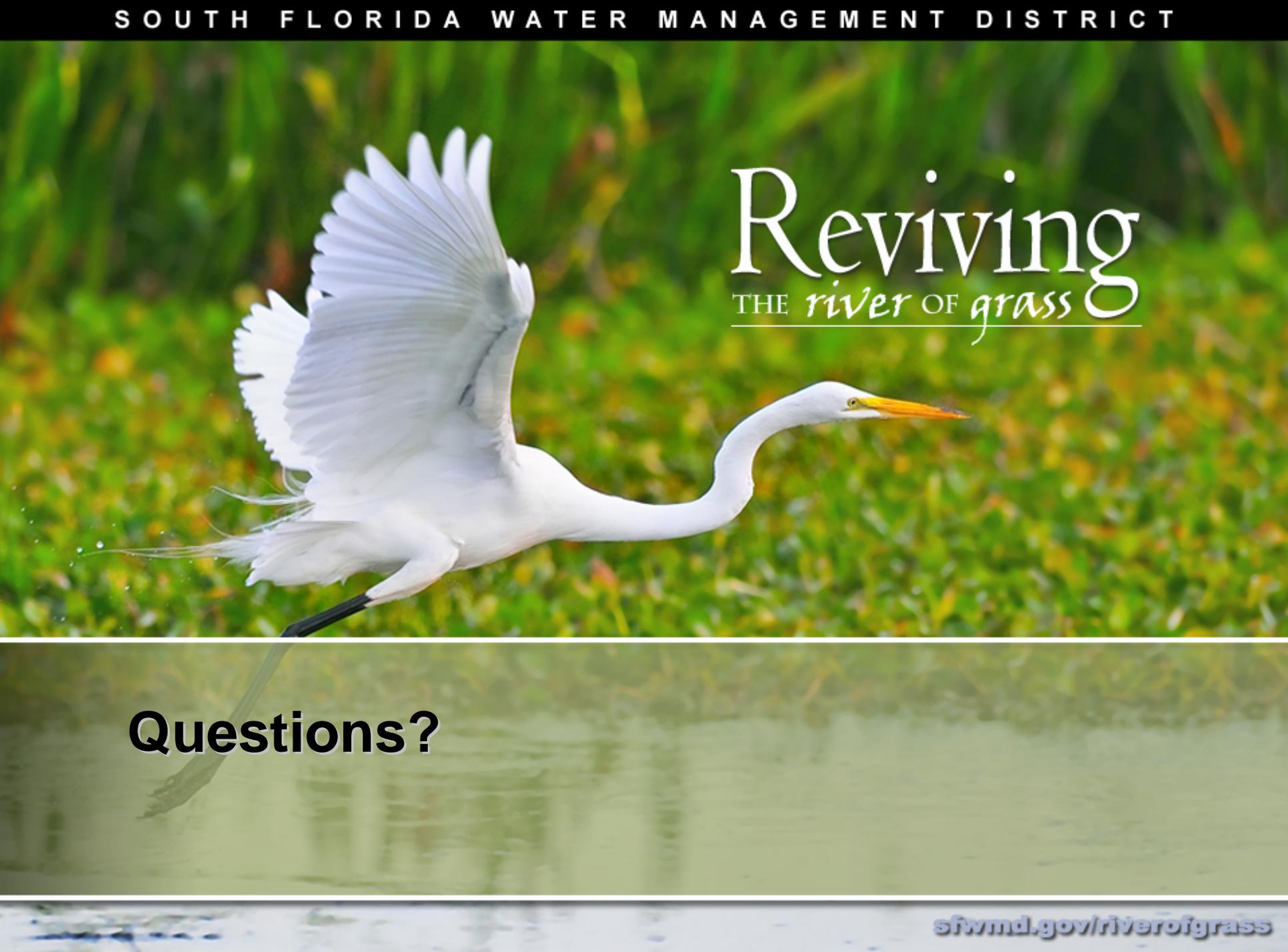
Triggers for Timeline



- The validation date and the assumption that the approved deal will make it through validation and appeal period with all challenges being resolved.
- We will seek an indication of the District's preliminary bond ratings from the financial markets.
- We will seek responses from letter of credit providers.
- We will need “market confirmation” of the plan of finance thirty days after validation.

Timeline for Acquisition Financing





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Next Steps
Carol Wehle
Executive Director

Everglades Land Acquisition

Board Action: Due Diligence



- Determination that Due Diligence is satisfactory; bulk of material requested has been produced
- Options:
 - Accept as is
 - Request extension of time as to certain limited items
 - Terminate contract if due diligence is not acceptable

Everglades Land Acquisition

Board Action: Due Diligence



- Staff recommendation:
 - Request extension of time as to certain limited items
 - Accept all other due diligence

Everglades Land Acquisition

Board Action: Lease Determination



- Determination on leases
- Options:
 - Accept all
 - Send written notice of rejection of rock mining leases

Everglades Land Acquisition

Board Action: Lease Determination

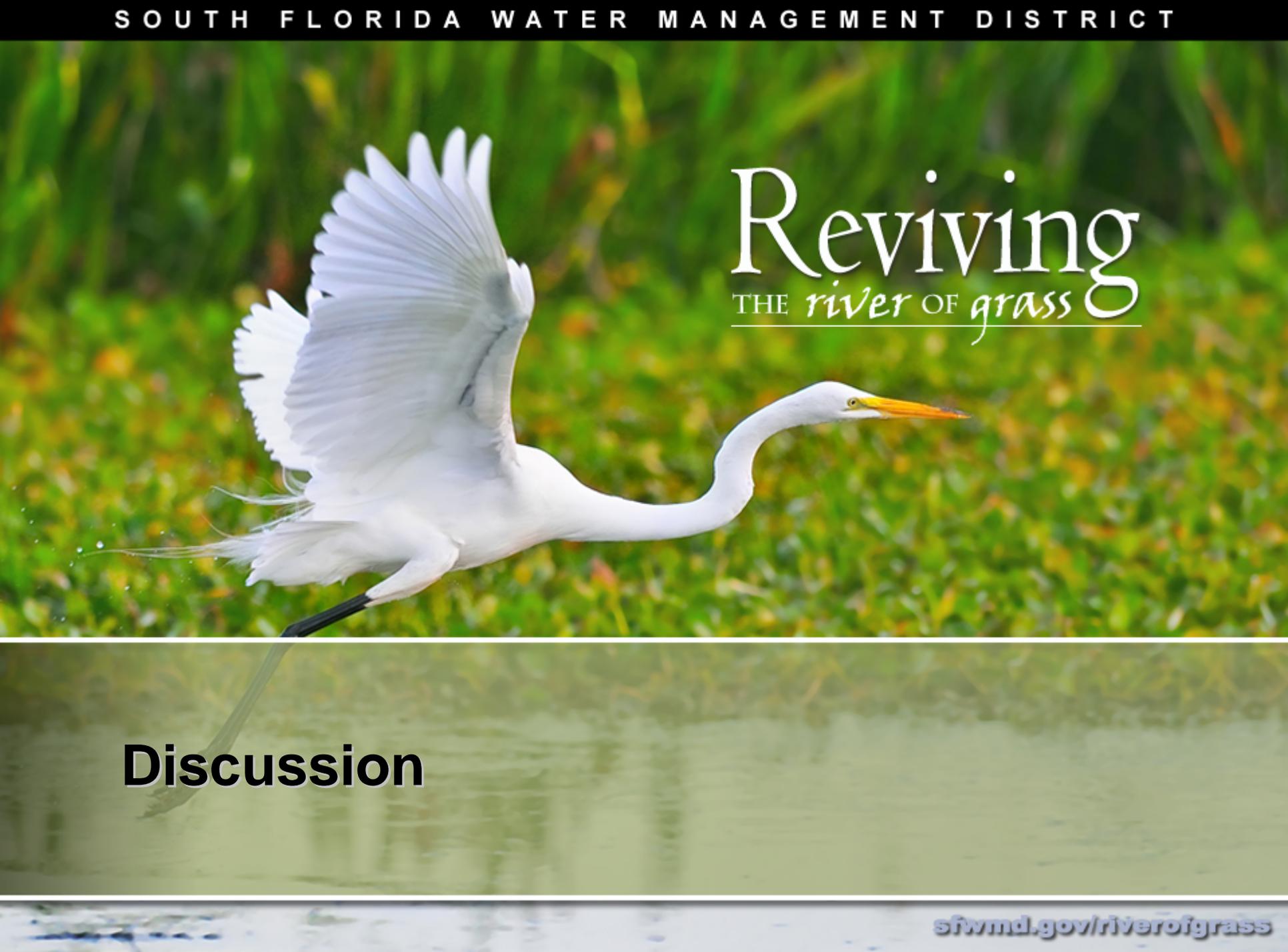


- Staff recommendation:
 - Send written notice on or after Jan. 31 pursuant to contract notifying USSC that the District will not assume the Florida Rock Lease

Everglades Land Acquisition Next Steps



- Technical workshop - January 14-16
- Phase I project planning – January 22
- Bond validation – February 6

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Discussion