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March 5, 2010

Via Facsimile & Electronic Mail

Ms. Anne Batchelor
Mr. Glenn J. Waldman
SFWMD Governing Board, 2122
P.O. Box 24680
West Palm Beach, FL 33416-4680
(561) 682-5029 (fax)

*Re: USSC Acquisition and March 11, 2010 Governing Board Agenda
Item No. 41*

Dear Ms. Batchelor and Mr. Waldman:

We serve as counsel for Florida Crystals Corporation and its subsidiaries.

We write to you on their behalf.

As you know, the purchase United States Sugar Corp. (USSC) land by the District has been given considerable attention by the District for over a year. On March 11, 2010, the District Governing Board will take up Agenda Item No. 41, the proposed extension of the agreement for purchase of landholdings of USSC (USSC Acquisition). This is the first time that a USSC land purchase issue will come before you since your appointment.

It is widely understood that Governor Crist required support for the purchase of USSC lands as a condition of your appointment. In fact, the Governor publicly stated that each of your appointments had that condition, and

Ms. Anne Batchelor
Mr. Glenn J. Waldman
March 5, 2010
Page 2

that each of you agreed to it before being appointed. This is reflected in several quotes in various newspapers throughout the state and in a video interview of Governor Crist available on the website of the Palm Beach Post.

Your duty as a Governing Board member is to "honestly, faithfully, and impartially" perform the duties of your office. Fla. Stat. § 373.079(1). The negotiated vote extracted by the Governor makes it impossible for you to credibly claim that you can impartially review and question the information presented by District Staff on the USSC acquisition, as opposed to following the marching orders that come out of Tallahassee.

Given the inability to exercise impartial review and the "litmus test" presented and negotiated by the Governor in exchange for your new positions, we submit that you have an irreconcilable ethical conflict on any issue related to this or any other proposed acquisition of USSC property. Prior Governing Board members that had ethical conflicts abstained from any vote or discussion of the USSC matter. We expect that you will do the same in accordance with your ethical and fiduciary obligations to the constituents of the 16 counties that comprise the District. Your pledged allegiance on this particular issue to the Governor's wishes make it impossible to fulfill those obligations and therefore recusal is required.

Please confirm your commitment to recuse yourself from any discussion or vote dealing with the purchase of any USSC property by the District. If we have not received confirmation of that fact by 5:00 P.M. on Monday, March 8,

Ms. Anne Batchelor
Mr. Glenn J. Waldman
March 5, 2010
Page 3

2010, we will have no choice but to seek legal action to block your participation or vote in Item No. 41 and any other USSC property acquisition issue.

Very truly yours,

A handwritten signature in black ink, appearing to read 'JPK', written over a horizontal line.

Joseph P. Klock, Jr.

cc: Sheryl Wood, General Counsel (Via Fax & email: swood@sfwmd.gov)