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May 3, 2009

Ms. Ruth Clements, Director
Land Acquisition Department
Mr. Ray Palmer, Chief Appraiser
Land Acquisition Department
South Florida Water Management District
3301 Gun Club Road
West Palm Beach, FL 33406

Re: Appraisal of United States Sugar Corporation Lands
Approximately 40,065± Acres
Palm Beach, Hendry and Glades Counties, FL

Dear Ms. Clements and Mr. Palmer:

Pursuant to your request and authorization, we have now had the opportunity to complete our appraisal of certain components of USSC lands which are proposed for purchase as of a current date. The purpose of this appraisal is to estimate the current market value of these lands based upon the highest and best use concluded for each of the individual components which collectively make up the approximately 40,065± acres. This appraisal does not value these land components as an integral part of the combined USSC enterprise or business. The total proposed purchase at this time consists of approximately 72,800± acres of land, which includes approximately 32,000± acres of citrus groves which were not valued or included in this appraisal assignment.

This appraisal is a complete appraisal presented in summary report format. The primary appraisal technique employed for the purpose of this assignment is the Sales Comparison Approach to value. The value estimates for the various component parts are developed by considering the prices paid for comparable properties located within similar or competing market areas. This appraisal is based upon a number of extraordinary assumptions which will be fully described in the body of the attached appraisal report.

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The subjects of this appraisal include the following land:

- 1) Moore Haven S-4 agricultural lands containing approximately 3,461.02± acres of land, having close proximity to Lake Okeechobee.
- 2) Approximately 25,246.22± acres of agricultural land located south of the Clewiston community and east of Blumberg Road.
- 3) Approximately 2,655.8± acres identified as transitional or community request lands.
- 4) Approximately 8,702.92± acres located proximate to the community of Pahokee, east of Lake Okeechobee.

Each of the component parts described above has been valued as a separate component, recognizing that they are being purchased individually from a larger parent ownership. The final value estimates presented in this report do not sum the totals of the individual components, and no discount has been considered for bulk sale or wholesale transaction, as our analysis suggests that the highest and best use of these properties would be realized if they were independently utilized.

This assignment includes a second task which involves the analysis of an exclusive option to purchase all remaining lands owned by USSC. When completing this analysis, we have compared the current appraised value of the remaining 107,000± acres of land to the identified option purchase price to provide a mathematical indication of the difference between the value of the land and that option price. The calculations performed in conjunction with the review of the option are not in any way intended to represent an estimate of the market value of the option, as we have not concluded that the option represents a marketable interest which could be sold to a third party. The calculations performed are only intended to provide, for our clients and the intended users of this report, an indication of the difference between our estimate of the current market value of the property and the stated option price to purchase that property.

In performing the analysis of the exclusive option, an additional extraordinary assumption has been adopted which influences the final calculated difference resulting from a comparison of the current market value estimate for these lands to the stated option price. Specifically, an extraordinary assumption relating to 7,600± acres of land leased to Florida Rock Industries, Inc. assumes that any interest in these lands controlled by Florida Rock Industries, Inc. will be declared null and void, and that the exercise of the option will permit SFWMD to buy these lands unencumbered by the lease.

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Within the body of the attached appraisal report, we will describe the processes undertaken when completing this appraisal assignment and the resulting conclusions. The effective date of the value estimate for the 40,065.96± acres is May 1, 2009. The calculation of the financial advantage or disadvantage pertaining to the option also reflects an effective date of May 1, 2009. This report, in its entirety, should be considered in conjunction with our prior appraisal having an effective date of August 15, 2008. This prior appraisal, by reference, is made part of this appraisal and option review.

Thank you again for the opportunity to provide this service. Please feel free to call us at your convenience if additional explanation would assist you in better understanding the results of our appraisal.

Sincerely,



E. LARRY SEWELL, MAI
State-Certified General Real Estate Appraiser RZ501

ELS:daf

**COMPLETE APPRAISAL PRESENTED
IN SUMMARY REPORT FORMAT**

OF

**Approximately 40,065.96± Acres of Land
Owned by The United States Sugar Corporation
Located in Palm Beach, Hendry and Glades Counties, Florida**

Our File No. 08-92D

FOR

THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT

**Ms. Ruth Clements, Director
Land Acquisition Department
and**

**Mr. Ray Palmer, Chief Appraiser
Land Acquisition Department
3301 Gun Club Road
West Palm Beach, FL 33406**

AS OF

May 1, 2009

BY

E. LARRY SEWELL, MAI

STATE-CERTIFIED GENERAL REAL ESTATE APPRAISER 0000501

**SEWELL VALENTICH TILLIS & ASSOCIATES
3277F Fruitville Road ■ Sarasota, FL 34239**

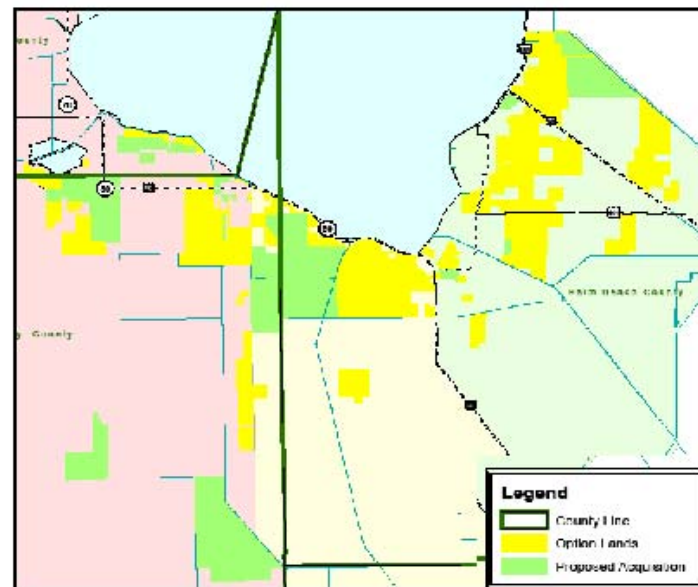
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FINAL VALUE ESTIMATES USSC LANDS AS OF MAY 1, 2009			
PROPOSED PURCHASE OF 40,065.96 ACRES			
USSC APPRAISAL SUBJECT COMPONENT	TOTAL SIZE	COMPONENT	VALUE ESTIMATE
SUBJECT PROPERTY IDENTIFICATION	ACRES	VALUE/ AC	AS OF MAY 1, 2009
Transitional Lands	2,655.80	\$ 15,814	\$41,998,821
USSC Lands East of Blumberg Rd	25,246.22	\$ 5,500	\$138,854,210
Moore Haven S-4 Lands	3,461.02	\$ 8,500	\$29,418,670
USSC Lands Pahoee Area	8,702.92	\$ 9,000	\$78,326,280
TOTAL USSC ACRES APPRAISED	40,065.96	ACRES	

Everglades Land Acquisition Option Lands

- No option cost
- Total consideration includes option benefit
- Utilized expertise of Stuart Limb
- Analysis explanation



SUMMARY OF SALIENT FACTS

IDENTIFICATION OF PROPERTY APPRAISED

Current market value estimates of components which collectively consist of approximately 40,065.96± acres of land owned by the United States Sugar Corporation.

SUMMARY OF SUBJECT COMPONENTS OF APPRAISAL

Transitional/Community Request Lands:	2,655.8± Acres
Agricultural Lands East of Blumberg Road:	25,246.22± Acres
Agricultural Lands near community of Moore Haven:	3,461.02± Acres
Agricultural Lands Proximate to Pahokee:	8,702.92± Acres

PROPERTY LOCATIONS

Palm Beach, Hendry and
Glades Counties, FL

INTEREST APPRAISED

Fee Simple

EFFECTIVE DATE OF APPRAISAL

May 1, 2009

EXTRAORDINARY ASSUMPTIONS – 40,065.96± ACRES

- 1) Exclusion of project influence.
- 2) Assumption of adequate access.
- 3) Contamination and soil productivity.
- 4) Continued water supply.
- 5) The continued and uninterrupted operation of the Clewiston sugar mill and interdependent relationship of lands used for agricultural purposes, if necessary, to support the mill.

EXTRAORDINARY ASSUMPTION – EXCLUSIVE OPTION REVIEW

- 1) Assumption that both the Stewart Mining Industries, Inc. parcel and the Lake Harbor Quarry parcel will be permitted by government agencies to allow for rock excavation.
- 2) The lease between USSC and Florida Rock Industries, Inc. will be declared null and void, allowing the land to be transferred under the terms of the option without an encumbrance of any kind.

IDENTIFICATION OF SUBJECT PROPERTIES

The subjects of this appraisal consist of four component parts of land owned by the United States Sugar Corporation which are proposed to be purchased by the South Florida Water Management District at this time. These lands have historically been used predominantly for agricultural purposes and are located in Palm Beach, Glades and Hendry Counties. Each component part is valued as a stand alone entity, and is not valued based upon any theory of contribution value to the larger USSC holdings. While the size of each component has been considered and reflected in our value estimates, no analysis has been performed to discount the value of these components relating to their purchase as a component of a larger parent parcel due to size or wholesale transaction. In the course of this appraisal assignment, we have become aware of other analyses which have been performed to estimate the value of these lands based upon their "business value." No business value or business interest is intended to be reflected within our final value estimates contained within this report. The value estimates contained within this report are based upon our independent analysis of the highest and best use of each component and the estimation of the current market value of each.

Subject land components in this appraisal include the following:

- Transitional lands where future highest and best use may be other than agricultural: 2,655± Acres
- Agricultural lands lying easterly of Blumberg Road and historically used for sugarcane production: 25,246.22± Acres
- Agricultural lands in close proximity to Moore Haven, near the southern edge of Lake Okeechobee: 3,461.02± Acres
- Agricultural lands lying in close proximity to Pahokee: 8,702.92± Acres

The specific locations and configurations of these properties are identified by various maps and documents which have been provided by our client and by the United States Sugar Corporation. By reference, these documents are made part of this appraisal. This summary appraisal report represents the second appraisal of the above-referenced lands. Our prior appraisal, having an effective date of August 15, 2008, provides a great deal of information which will assist any reader of this report in better understanding the processes undertaken in performing this appraisal assignment. By reference, that appraisal is made part of this appraisal assignment.

IDENTIFICATION OF CLIENT AND INTENDED USER

The client and intended users of this appraisal report and the analysis of the option include the South Florida Water Management District Land Acquisition Department and all appropriate funding partners.

IDENTIFICATION OF INTENDED USE

This appraisal is intended to be used to assist the South Florida Water Management District in negotiating the purchase of lands from the United States Sugar Corporation. An additional intended use of the appraisal includes its use for crediting purposes with the South Florida Water Management District funding partners.

IDENTIFICATION OF TYPE AND DEFINITION OF MARKET VALUE

This appraisal is intended to be a current market value estimate of the land and improvements, when noted. Based on Florida case law (State Road Dept. v. Stack, 231 So.2d 859 FL 1st DCA 1969), market value is defined as:

The amount of money that a purchaser willing but not obligated to buy the property would pay an owner willing but not obligated to sell, taking into consideration all uses to which the property is adapted and might be applied in reason. Inherent in the willing buyer-willing seller test of the fair market value is the following:

- 1) A fair sale resulting from fair negotiations.*
- 2) Neither party is acting under compulsion of necessity (this eliminates forced liquidation or sale at auction). Economic pressure may be enough to preclude a sale's use.*
- 3) Both parties having knowledge of all relevant facts.*
- 4) A sale without peculiar or special circumstances.*
- 5) A reasonable time to find a buyer.*

EFFECTIVE DATE OF THE APPRAISAL

May 1, 2009

DEFINITION OF FEE SIMPLE INTEREST APPRAISED

Fee simple interest is defined as an "absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat," as excerpted from The Appraisal of Real Estate, 12th Edition, copyright 2001, p. 69.

This appraisal focuses specifically upon the unencumbered fee simple interest associated with the various components of the USSC land holdings. No encumbrances resulting from leases, easements (either recorded or unrecorded), encroachments, mortgages, mineral interests owned by or controlled by others, or any other restrictions, other than typical restrictions imposed by the various counties, state or federal governmental agencies, have been considered when developing these value estimates.

No personal property, trade fixtures, intangible items, or business interests are considered or included in these value estimates. The appraiser is aware of no easements, restrictions, encumbrances, leases, reservations, covenants, contracts, declarations, special assessments, ordinances, or other items of similar nature, other than those specifically addressed within this appraisal report, and none is considered or reflected in our value estimates. No fractional interest, partial interest, leasehold or lease fee interest, or other divisions in the property ownerships, have been considered or reflected in this appraisal. This appraisal also does not consider mineral interests which may or may not be controlled by others.

IDENTIFICATION OF EXTRAORDINARY ASSUMPTIONS

This appraisal is completed by adopting certain "Extraordinary Assumptions" which may have an impact upon the final value conclusions. These extraordinary assumptions are considered to be necessary foundational elements of the analysis, recognizing that there are many factors associated with this assignment which cannot be finitely identified or absolutely determined as of the date of this appraisal. Extraordinary assumptions are commonly adopted by real estate appraisers when valuing properties where some uncertainty exists with regard to specific components or elements of the properties being appraised.

An "Extraordinary Assumption" is defined as "*an assumption which is directly related to a specific assignment which, if found to be false, could alter the appraiser's opinions or conclusions.*" (Excerpted from USPAP 2008-09 Edition, Appraisal Foundation, Page U3.)

Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal or economic characteristics of the subject property, or about conditions external to the property, such as market conditions and trends, or about the integrity of the data used in the analysis.

The following extraordinary assumptions have been adopted by the appraiser when completing this appraisal assignment.

1. PROJECT INFLUENCE

This appraisal has been prepared, and all evaluations have been performed, excluding any and all positive or negative market impact which may or may not have resulted from the public's knowledge of the proposed project identified as "The Proposed Purchase of Any Assets of the United States Sugar Corporation." This assumption results in the appraiser's disregarding of any market impact which may or may not have been caused by the knowledge of the proposed purchase of any or all real property and assets owned by the United States Sugar Corporation.

2. ACCESS

To fulfill the stated purpose of this appraisal, our analysis has adopted the extraordinary assumption that all parcels which are the subject of this appraisal possess adequate physical and legal access to allow them to be used at their highest and best use.

IDENTIFICATION OF EXTRAORDINARY ASSUMPTIONS, CONT'D.

3. SOIL PRODUCTIVITY, CONTAMINATION, AND ENVIRONMENTAL CONDITIONS

An extraordinary assumption has been adopted in this appraisal which assumes that no lands which are the subject of this appraisal are contaminated or contain any substance which would adversely affect the use and/or marketability of the land. This extraordinary assumption could also be classified as a hypothetical condition, as we have been informed by other experts that some components of the total USSC holdings have been contaminated by the historical agricultural operations taking place on these lands. We have no specific knowledge as to the degree of contamination, location of contamination, or the cost of possible clean-up. Any such cost estimates or analyses relating to contamination are being performed by others and will be considered by the intended users of this appraisal report when negotiating the purchase any lands determined to be contaminated.

We have proceeded with the evaluation of the agricultural land components by analyzing various areas based upon general assumptions of productivity reported by market participants. Productivity of agricultural lands oftentimes varies between parcels or farms due to soil characteristics such as soil depth, soil profile, and land elevation, as well as other features of the land. The appraisers have formally requested that USSC provide historical production figures, as well as additional information identifying soil depths or other unique features. This information has not been provided as of the date of the writing of this appraisal report. We have proceeded with this assignment based upon the information available at this time, reserving the right to revise this appraisal, should additional information be made available to identify specific productivity of the subject component parts.

IDENTIFICATION OF EXTRAORDINARY ASSUMPTIONS, CONT'D.

4. WATER RESOURCE

This extraordinary assumption recognizes that many of the lands which are the subject of this appraisal are used in an agricultural capacity which requires water for crop irrigation and production. This assumption anticipates that any wells or water resources which are currently permitted to support agricultural production will continue to be used to support that production and that the extension of permits will be granted.

5. CONTINUED RELATIONSHIP BETWEEN CLEWISTON MILL AND AGRICULTURAL LANDS

The sugarcane acreage and the Clewiston Mill will continue an uninterrupted, interdependent relationship if the highest and best use of the property is consistent with agricultural production. Sugarcane will be purchased by the mill at the same market prices paid to independent growers. The significance of this assumption reflects the anticipation that USSC will not cease all operations of its mills or processing facilities.

SCOPE OF WORK PERFORMED

The scope of work for this appraisal assignment requires that the appraisers employ recognized appraisal techniques and give specific consideration to individual and independent components of lands which are, in some instances, taken from a larger parent ownership. These analyses view each subject parcel as a stand-alone component and, therefore, no discount is reflected in the resulting value estimates due to any component being part of a larger parent ownership.

The subject 40,065.96± acres of this appraisal have been previously valued in our appraisal having an effective date of August 15, 2008. In that prior appraisal, the value estimates were "blended or averaged" based upon their contributory value to the larger land components. By way of example, the approximate 3,461.02± acres of land, which are the subject of this appraisal and lie in close proximity to the Moore Haven community, were valued in the first (August 15, 2008) appraisal as part of an approximate 30,695±-acre component of land lying westerly of Blumberg Road. In that prior appraisal, the average or blended value per acre for all 30,695± acres was based upon an overall price of \$5,000/gross acre.

When valuing these 3,461.02± acres of land in this appraisal assignment, we have recognized that these lands are considered to be some of the most productive and well located agricultural lands owned by USSC lying westerly of Blumberg Road. These lands, therefore, were concluded to have a value greater than that indicated as the average value and reflected within the first appraisal assignment. In this appraisal, those lands have been valued at \$8,500/gross acre, understanding that they are significantly more productive and have superior location as compared to the average lands originally valued as a component of the 30,695±-acre larger tract.

In this example, it is important to understand that the estimated value of the 3,461.02± acres of land at some \$8,500/acre represents a value indication identical to that contained within our first appraisal, as these same land components were understood in that prior appraisal assignment to have a value greater than the average value for the larger 30,695±-acre component. This appraisal recognizes that some lands lying westerly of Blumberg Road were far less productive, having a value estimate of say \$4,000/gross acre, while other lands, such as the 3,461.02± acres now being considered for purchase, have a superior location and productivity, and have a value in the range of \$8,500/acre.

SCOPE OF WORK PERFORMED, CONT'D.

This appraisal, as well as the first appraisal (August 15, 2008), required that certain extraordinary assumptions be adopted as certain characteristics of the various lands appraised, such as precise dimensions and physical topography, were not available to fully describe each parcel of land included within the appraisal. For example, surveys have not been provided to the appraisers when valuing most subject parcels, therefore, the identification of specific dimensions, topography, easements or precise boundary locations have not been defined. We have proceeded with this assignment by relying upon a variety of maps, drawings, aerial photographs, and other information which provides adequate information to identify the parcels for the purpose of this appraisal. Once final surveys and other studies have been completed, revisions to this appraisal may be necessary.

With regard to possible environmental contamination, we understand that experts have been employed to consider any impact which may have been caused by previous uses of the lands for agricultural or other purposes. Our appraisal does not consider any potential impact to market value which may be caused by contamination or soil characteristics which have yet to be precisely defined.

When completing this appraisal assignment, recognized appraisal techniques have been employed and relied upon for the purpose of valuing the various subject land components. The primary appraisal technique employed for the purpose of valuing the underlying land is the Sales Comparison Approach to value. This appraisal technique is considered to be the most reliable and is typically relied upon for the purpose of valuing vacant land.

When applying the Sales Comparison Approach to value, we have once again relied upon comparable sales information taken from the subject market area involving predominantly agricultural or transitional land sales. Those comparable sales previously researched and relied upon when developing our prior appraisal have been considered and are incorporated into this new appraisal assignment. Additional comparable sales have also been researched, verified, inspected and analyzed to assist us in our evaluation of the component parts which collectively make up the 40,065.96± acres which are the subjects of this appraisal.

SCOPE OF WORK PERFORMED, CONT'D.

Much of the land that is the subject of this appraisal has been improved to allow for agricultural production by leveling the land and configuring the fields to provide positive drainage into constructed reservoirs, canals or other containment areas. Typical site improvements found on many of the parcels that are predominantly intended to support agricultural production include roadways, fencing, retention areas, canals, wells, pumps, agricultural buildings and other miscellaneous improvements designed for agricultural use. These agricultural improvements are not valued independently and are included within the total price per acre reflected within the value estimate for the underlying land.

The subject components of this appraisal have been previously appraised for SFWMD in our appraisal having an effective date of August 15, 2008. When previously appraised, these subject components were valued as portions of larger tracts of land based upon the average or general utility of those larger tracts. These same subject parcels are now valued independently of those larger tracts of land, with consideration given specifically to their location, size, utility, productivity, and physical characteristics. The value per acre indicated for these properties is comparable to that value indicated in our original appraisal dated August 15, 2008. However, the estimate of value for the subject components now reflects our estimate of the current market value of these parcels as stand alone entities and no longer reflects an average value for these same lands as if they remain part of a significantly larger component part of all USSC land holdings.

When completing this appraisal assignment, we have also had the opportunity to meet with our clients and discuss various issues pertaining to the land being appraised. Representatives from USSC have also been present at certain meetings and have described the lands which are proposed to be purchased. Additional information has been obtained from a variety of public offices in Hendry, Palm Beach and Glades Counties.

Multiple inspections of many of the lands have been conducted, both ground and aerial. We have also had the opportunity to work with other appraisal experts when completing this assignment and have compiled a great deal of information through verifications and interviews conducted with active market participants. These data will be maintained within our files, recognizing that this is intended to be a report presented in summary report format.

HISTORY AND ANALYSIS OF MARKET AREA

The general market area defined for the purpose of this appraisal consists predominantly of lands lying in the center of the southern portion of the State of Florida, with emphasis placed upon those areas surrounding Lake Okeechobee. This area has historically been used predominantly for agricultural production, including sugarcane, cattle ranching, citrus groves, row crops, tree farms, sod production and other associated uses. A number of small towns or communities lie in close proximity to Lake Okeechobee and effectively surround the lake. To the north of Lake Okeechobee is the community of Okeechobee; the town of Lakeport lies to the western side of the lake; Moore Haven is positioned on the southwestern side of the lake; and the community of Clewiston, which is the headquarters of the United States Sugar Corporation, is located along the southern portion of the lake. Additional communities located within the subject market area include Lake Harbor, South Bay, Belle Glade and Pahokee.

A more condensed market area considered when completing this appraisal focuses predominantly on lands lying in relatively close proximity to the communities of Moore Haven, Clewiston, South Bay, Belle Glade, Pahokee and Canal Point. These communities effectively lie within the heart of those lands owned by USSC.

On the following pages are brief descriptions of each community surrounding Lake Okeechobee.

CLEWISTON

Clewiston, "America's Sweetest Town," was developed in the 1920's, incorporated in 1925, and occupies 4.57± square miles in Hendry County, Florida on the southwest shore of Lake Okeechobee. This community is located 60 miles east of Fort Myers on the Gulf of Mexico and 60 miles west of Palm Beach on the Atlantic Ocean. Clewiston has a protected boat basin with many wide boat ramps and spacious parking for easy access to Lake Okeechobee.

When completing this appraisal, we have valued lands based upon their highest and best use. A significant segment of the parcels appraised has been considered to have a transitional use where the highest and best use of the property may, at some future time, be related to uses other than agricultural production. A significant portion of those lands classified as "transitional" are located either within or in close proximity to the community of Clewiston.

HISTORY AND ANALYSIS OF MARKET AREA, CONT'D.

MOORE HAVEN

Moore Haven is the county seat of Glades County, Florida. As of the 2000 census, the city had a total population of 1,635, and by 2004, the population recorded by the U.S. Census Bureau was 1,726. Moore Haven is located on the southwest shoreline of Lake Okeechobee, is predominantly rural in nature, and surrounded by agricultural uses mostly related to the production of sugarcane. Significant land holdings by USSC lie in close proximity to the Moore Haven community. Upon inspection, these lands were revealed to be predominantly and historically used for sugarcane production. A component of this appraisal, identified as Moore Haven S-4 lands, lies in close proximity to this community. This area has historically been known as one of the more productive areas due to the significant depths of the soil and the locational advantage afforded by the relatively close proximity to the warming waters of Lake Okeechobee.

SOUTH BAY

South Bay is located in Palm Beach County, Florida near the southern bank of Lake Okeechobee. According to the 2000 U.S. Census Bureau, South Bay's population numbered 3,856. As of 2004, it had increased to 4,037.

South Bay can be found in the heart of South Florida where two major roads, East-West SR 80 and North-South US 27, intersect. Our inspection of this community on several occasions revealed it to be predominantly supported by agricultural production, specifically the growing of sugarcane. Soils within this area traditionally consist of organic soil, which is considered to be especially productive for sugarcane. Several residential communities have been developed within the South Bay area featuring modest homes occupied by workers supporting the agricultural industry. Our inspection of this area also revealed a stabilized market with no significant signs of growth and development anticipated as of the effective date of our analysis. Several properties considered to be transitional in nature were located in close proximity to the South Bay community. These lands were believed to have future potential for residential type development.

HISTORY AND ANALYSIS OF MARKET AREA, CONT'D.

BELLE GLADE

Belle Glade is located in Palm Beach County, Florida on the southeastern shore of Lake Okeechobee. This community is accessible from US 27 or US 441, and lies approximately 45 miles west of Palm Beach and the Atlantic Ocean. The population was 14,906 at the 2000 U.S. census and increased to 15,423 in 2005. Belle Glade (and the surrounding area) is sometimes referred to as "Muck City" due to the large quantity of organic soil used primarily to grow sugarcane. Our inspection of this community suggests that it is best described as rural residential, surrounded and supported by agricultural uses. USSC holdings within the Belle Glade area are predominantly used for the production of sugarcane. Parcel SE-200-010 is identified as a transitional land which is proposed to be purchased and made available to the Belle Glade community.

PAHOKEE

Pahokee is located on the shore of Lake Okeechobee in Palm Beach County, Florida. The population of Pahokee numbered 5,985 during the 2000 U.S. Census and as of 2004 had increased to 6,459. While traveling through and inspecting this component of the subject market area, we discovered Pahokee to be severely distressed. Many of the commercial businesses have been boarded up, and it appears that, in many cases, damage caused by previous hurricanes has not yet been repaired. Growth and development within this area would not be foreseen as of the effective date of this appraisal, or in the immediate future.

This community is effectively surrounded by very productive agricultural lands in that muck depth within this location is superior to other areas around Lake Okeechobee. Pahokee also enjoys a significant agricultural advantage in that its location at the southeast corner of Lake Okeechobee provides a warming effect which enhances opportunities for agricultural production on lands lying in very close proximity to the lake, i.e. within 1½ to 2 miles. Values for agricultural lands within the Pahokee area, as well as to the east, have traditionally exceeded prices paid in other alternative locations. The final component of this appraisal is identified as lands which lie proximate to the Pahokee area, consisting of some 8,703± acres.

HISTORY AND ANALYSIS OF MARKET AREA, CONT'D.

CANAL POINT

The unincorporated community of Canal Point is a census-designated area in Palm Beach County, Florida. Almost the entire Canal Point population is involved in agriculture, most of whom are independent farmers or employees of local sugar producers, the largest of which are the United States Sugar Corporation, the Sugar Growers Cooperative, and the Florida Crystals Corporation. As of the 2000 U.S. Census, the population numbered 525. This community and surrounding area also enjoy significant agricultural productivity due to its favorable muck depth. Our inspection revealed this area to be predominantly agricultural in nature, largely in sugarcane production. We did observe other alternative agricultural uses within this area, including tree farms and row crop production. Certain lands identified as transitional and owned by the USSC lie proximate to Lake Okeechobee within the Canal Point community.

SUMMARY

When completing our appraisal assignment, we have carefully considered the individual market areas from which the subject properties are intended to be purchased. These areas have historically been predominantly used for agricultural purposes and surround the various small towns and communities. The unique character of these market areas, with reliance upon agriculture, suggests that comparable sales relied upon for the purpose of this appraisal assignment should consider the various characteristics of each independent area. The distinctive soil profiles and productivity of the various locations have also been considered when developing our value estimates of the various component parts of this appraisal.

With regard to the general status of the real estate market, our research indicates that, unlike other areas within the state of Florida, the speculative market did not have the effect of dramatically increasing prices within these agricultural areas. The value of agricultural land located within these areas has historically been driven largely by the productivity of the soil and not by speculators anticipating the opportunity to reap immediate profits caused by the general rise in the real estate market. This, therefore, has resulted in land prices remaining relatively stable within the subject market areas.

HISTORY AND ANALYSIS OF MARKET AREA, CONT'D.

SUMMARY, CONT'D.

Additional research conducted in the course of this new appraisal assignment suggests that pricing for agricultural lands did not show declines comparable to those areas where prices were largely driven by speculative purchases. Our analysis and review of market data within the subject areas suggest that these markets have not reflected significant changes in value between the periods of our original appraisal in August 2008 and this new appraisal assignment in May 2009. This has, therefore, led us to the conclusion, which will be further described within subsequent sections of the appraisal, report that the land values reflected in our first appraisal assignment, having an effective date of August 15, 2008, remain appropriate to value the lands as of a current date. There are two exceptions to this conclusion involving lands which are suitable for limestone rock excavation.

DEFINITION AND DISCUSSION OF HIGHEST AND BEST USE

"Highest and best use is the reasonably probable and legal use of vacant land or an improved property that is physically possible, legally permissible, appropriately supported, financially feasible, and that results in the highest value," as excerpted from The Appraisal of Real Estate, 12th Edition, copyright 2001, p. 305.

TRANSITIONAL LANDS

When considering the highest and best use for lands classified as transitional, we have given consideration to those uses which are physically possible, legally permissible and which would ultimately produce the greatest return to the land. Our analysis, as of the effective date of this new appraisal assignment, strongly suggests that the current status of the local real estate market would not support the immediate transitioning of lands from their existing agricultural or passive use to a more intensive use. Therefore, we would conclude that the highest and best use of many of the transitional parcels would remain for agricultural production, or to be maintained in a passive fashion until the market begins to recover.

The utility of these transitional lands, however, is in our opinion, enhanced due to certain locational characteristics and specific allowable uses which are more intensive than agricultural. By way of example, some lands considered to be transitional in nature lie in close proximity to existing residential development. Sales within this area suggest that while purchasers may intend to continue to use lands for agricultural purposes in the interim, the ultimate intent will be to develop the land in a residential capacity. Such lands traditionally sell at prices greater than that reflected by lands which have utility only allowing agricultural production. Therefore, we conclude that lands identified as transitional would have a highest and best use on an interim basis for agricultural or passive use anticipating that, at some future time, the lands would transition into more productive and profitable uses.

DEFINITION AND DISCUSSION OF HIGHEST AND BEST USE, CONT'D.

AGRICULTURAL LANDS

Lands previously identified as agricultural, including lands lying proximate to the community of Moore Haven, lands lying easterly of Blumberg Road, and lands lying proximate to the community of Pahokee would, in our opinion, have little opportunity to transition to an alternative use. These lands have historically been used for agricultural production, and their location and soil characteristics suggest that these lands would most likely continue to be used for agricultural purposes. Therefore, we have concluded that the highest and best use of these component parts would relate to future continued use for agricultural purposes. Such uses would be considered physically possible, legally permissible, financially feasible and will result in the maximum productivity to the land.

HISTORY OF SUBJECT PROPERTIES

When completing our evaluation of the four component parts which collectively make up some 40,065.96± acres, we have relied upon documents provided by the South Florida Water Management District describing those parcels. This information included summary sheets reflecting dates of acquisition for various individual parcels making up the four component parts, and also included other information identifying the historical use of the land. By reference, these summary sheets and additional information provided are made part of this appraisal. Our research did not reveal additional information identifying the purchase or sale of any properties which are the subject of this appraisal, and there are no known listings of any components identified herein as subject parcels.

We believe it is important to further discuss the historical nature of the various subject market areas, as our review of this history has assisted us in developing our highest and best use analysis of the various component parts.

Our examination of the various market areas where agricultural production has been the norm suggests that these areas have remained stable, showing very little sign of growth and development or transition to alternative use in the recent past. We anticipate that the historical use of these lands for agricultural purposes will continue in the foreseeable future.

With regard to transitional lands, we note that the community of Clewiston has, within the last few years, experienced growth along its western edge where several hospitality facilities, fast-food restaurants and a Wal-Mart store have been constructed. Some residential development was apparent during the boom of 2005-2006, however, our conversations and verifications with knowledgeable market participants suggest that Clewiston, like many areas throughout the State of Florida, has seen a significant decline in demand for residential product as a result of the ongoing real estate recession.

Our appraisal anticipates that some USSC-owned lands located in the Clewiston community may have opportunities to transition to alternative uses at some future point in time. We, however, anticipate that in the immediately foreseeable future, the majority of the USSC landholdings will continue to be used for either the production of sugarcane or alternative agricultural uses.

HISTORY OF SUBJECT PROPERTIES, CONT'D.

The community of Moore Haven remains a small agricultural community, and appears to be stable. Also, South Bay and Belle Glade appear to have changed very little in recent years. The general area of Pahokee appears to have suffered severe distress, with many commercial buildings currently boarded up, apparently not yet repaired from hurricane damage in 2005. The USSC has substantial holdings within these communities and has historically used these lands for sugarcane production. While some areas within these communities may be considered transitional, the majority of the land will, in our opinion, continue its historical use for agricultural production.

Our review of the subject market areas, from which the subject parcels are proposed to be purchased, suggests that future trends will support the rural nature of the area which will be dominated by continued agricultural production. The predominant crop in this area has historically been, and will most probably continue to be, sugarcane. While current reports suggest that the profitability of sugarcane has declined, we believe it is logical to conclude that sugarcane will continue to be produced in this area.

Our analysis of this area revealed that uses other than sugarcane production, such as alternative agricultural uses, are not uncommon. Alternative crops in years past were proven to be more profitable than the growing of sugarcane and included uses such as tree farming, growing of row crops, sod and other alternative agricultural uses. The current real estate recession has impacted the profitability of these alternative agricultural crops and, in some cases, has resulted in a decline in the use of the land for alternative agricultural purposes.

We have also reviewed a number of documents that suggest there is considerable interest in this market area for crops which would support the production of Ethanol. Specifically, the production of sweet sorghum has been recently reported in newspapers as a viable alternative crop, which has yet to be tested but which may prove to be economically feasible for much of the land that has been historically used for sugarcane production. As of the date of the writing of this report, any significant transition of this agricultural land to major users, such as those who would be intending to produce Ethanol, is considered to be quite speculative. While completing this new appraisal assignment, we have conducted additional sales research which revealed no specific properties purchased for such alternative agricultural uses.

DESCRIPTION OF SUBJECT PROPERTIES

This appraisal assignment involves the evaluation of four component parts which collectively make up a portion of the total lands which are currently being proposed to be purchased by SFWMD from the United States Sugar Corporation. The total size of the lands now being appraised, consisting of four components, is approximately 40,065.96± acres. An additional 32,000± acres of citrus groves, which were previously appraised in August 2008, are also included in those lands earmarked for current purchase. The citrus lands are not a part of this appraisal assignment.

The purchase of these lands will be from portions of the total USSC holdings, consisting of approximately 182,500± acres. Again, we wish to reconfirm that this appraisal values these individual components as stand alone units, recognizing the productivity and highest and best use of each. No discount has been applied to reflect for bulk sale or to consider a discount which may appropriately be applied if the lands were to be valued based upon a "value in use" or business value. Additionally, we have noted in the completion of this appraisal assignment that revised sizes and delineation of parcels, which occurred subsequent to the completion of our first appraisal, may have resulted in various individual parcel sizes changing from those relied upon in our first appraisal assignment. The sizes relied upon for the purpose of this appraisal are based upon those estimates provided by SFWMD.

TRANSITIONAL LANDS

The first component appraised is classified as lands considered to be "transitional" in nature. These lands include approximately 2,655.8± acres which, in our opinion, may transition from agricultural or passive use to more intensive uses such as residential, commercial, industrial or low intensity use. Lands referred to as "transitional" in this appraisal are considered to have a future or potential highest and best use other than for agricultural production. The "transitional" classification is not intended to imply that these lands will immediately be brought into production for uses other than their historical agricultural or passive use. These lands, in our opinion, however, do have potential utility that would influence their market value, as our observations clearly suggest that the market will pay a premium for lands which can have an interim use for agricultural purposes, however, also have future potential for more intensive uses.

DESCRIPTION OF SUBJECT PROPERTIES. CONT'D.

TRANSITIONAL LANDS, CONT'D.

Comparable sales researched within the subject market area that were used to value transitional lands include lands with residential potential, as well as lands which can be used for commercial or industrial activities. Additional lands that, during our inspection, revealed physical characteristics which would not easily allow conventional utilization were valued based upon comparable sales considered to have low or marginal utility. These include lands previously used for excavation of borrow materials, or where elevation and topography make the land unsuitable for conventional forms of development.

MOORE HAVEN S-4 LANDS

When valuing the second component of this appraisal, that is agricultural lands proximate to the Moore Haven S-4 area, we have recognized that soils within this area are reported to be some of the most productive and, therefore, most valuable within the market area. This area also enjoys the locational advantage of proximity closer to Lake Okeechobee, which provides an advantage due to the warming effects of the lake. This current appraisal includes the 3,461.02± acres proximate to Moore Haven which were previously valued as a component of lands identified as USSC holdings westerly of Blumberg Road. The evaluation of this component recognizes that the specific lands proposed to be purchased are superior to the average lands identified as lands lying westerly of Blumberg Road and, therefore, command a value higher than that reflected within our original appraisal report. Maps that were provided to us indicate the general configuration, location and size of this component of our appraisal.

LANDS EAST OF BLUMBERG ROAD

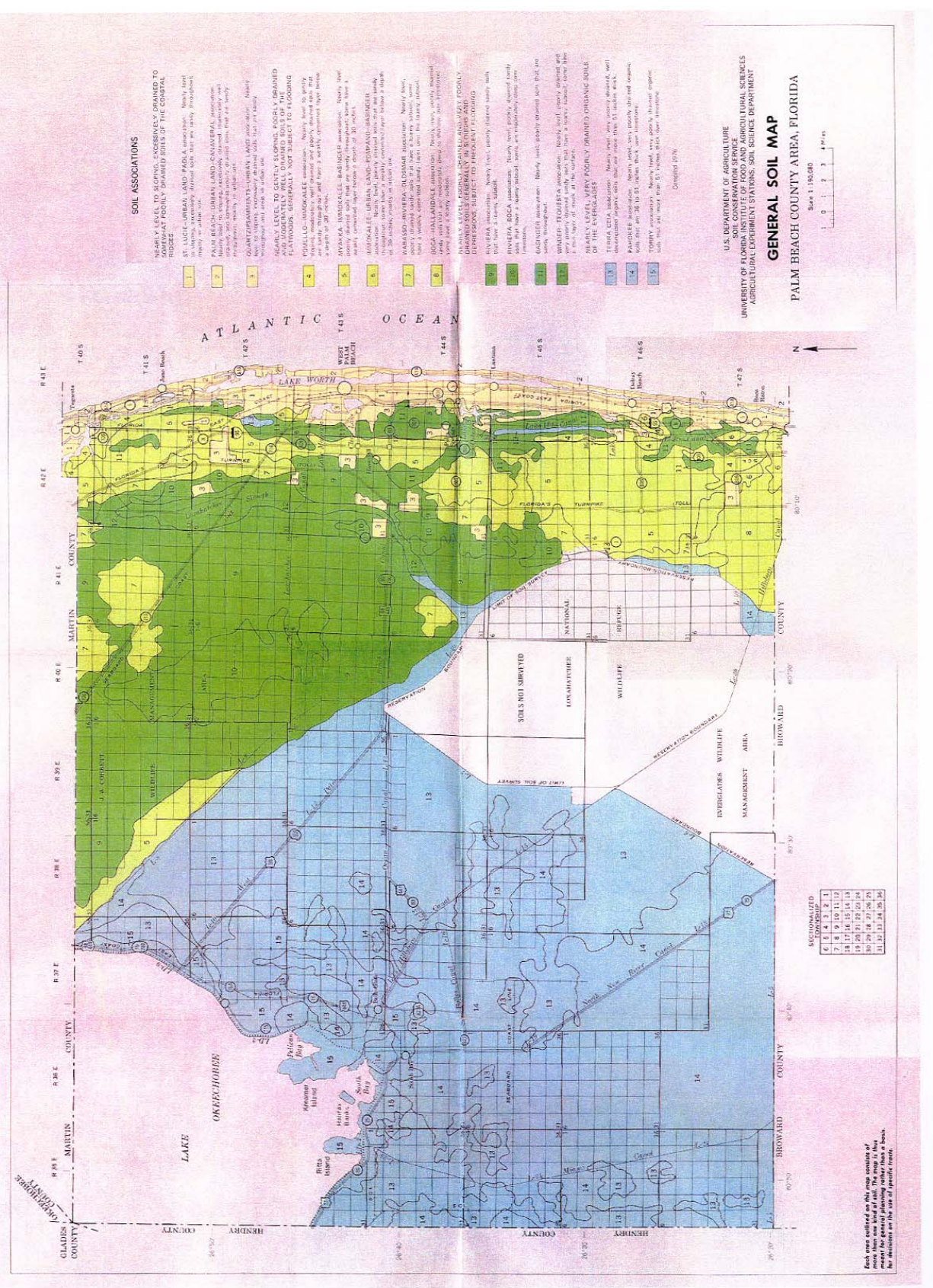
The third land component valued is identified as approximately 25,246.22± acres of agricultural muck land lying southerly of S.R. 80 proximate to the community of Clewiston. This area is considered to have productivity and soil depth of average quality and has historically been used for sugarcane production. The specific parcels which are included within this area are reflected on the summary sheet shown within subsequent sections of this appraisal report. The average value originally reflected for these lands within our prior appraisal of August 15, 2008 reflected a utility comparable to that associated with the proposed current purchase of some 25,246.22± acres. Therefore, the lands proposed to be purchased lying east of Blumberg Road were judged to be average and comparable to the larger component originally appraised in our August 2008 appraisal.

**DESCRIPTION OF SUBJECT PROPERTIES,
CONT'D.**

PAHOKEE

The fourth and final component of this appraisal consists of lands located at the southeast corner of Lake Okeechobee, proximate to the community of Pahokee. This area, containing some 8,702.92± acres of land, is considered to be some of the most desirable land owned by USSC with respect to its productivity and soil depth. These lands also enjoy the favored location at the southeast corner of Lake Okeechobee where the warming waters from the lake tend to preserve and protect crops during winter months.

Lands located in Pahokee which are the subject of this current appraisal were originally valued as a component of some 56,000± acres owned by USSC. A great deal of this larger tract lies easterly of lands currently proposed to be purchased in a location considered to be less favorable. Market information further suggests that, as distance from the lake increases to the east of the lake, muck depths become more shallow and, therefore, are less productive. Therefore, in the final analysis, the value estimates for this component currently proposed to be purchased exceed that of the average price per acre originally reflected within our first appraisal report.



SOIL ASSOCIATIONS

- 1. **ST. LUCIE-URBAN, LAND-PAOLA ASSOCIATION** - Nearly level to gently sloping soils with very heavy, impervious, clayey subsoils.
- 2. **PALM BEACH-URBAN, LAND-CHAMBERLAIN ASSOCIATION** - Nearly level to gently sloping, excessively drained, sandy soils with very heavy, impervious, clayey subsoils.
- 3. **QUANTZBERG-BENTLEY-URBAN, LAND-ANDERSON ASSOCIATION** - Nearly level to gently sloping, excessively drained, sandy soils with very heavy, impervious, clayey subsoils.
- 4. **SEMI-LEVEL, TO GENTLY SLOPING, POORLY DRAINAGE AND LOGGERS WELLS DRAINAGE SOILS OF THE FLATWOODS, GENERALLY NOT SUBJECT TO FLOODING** - Nearly level to gently sloping, excessively drained, sandy soils with very heavy, impervious, clayey subsoils.
- 5. **MYAKKA, BOKSLEIGH, AND BENTLEY ASSOCIATIONS** - Nearly level to gently sloping, excessively drained, sandy soils with very heavy, impervious, clayey subsoils.
- 6. **WABASSO-ROVITA-OLDSHAR ASSOCIATION** - Nearly level to gently sloping, excessively drained, sandy soils with very heavy, impervious, clayey subsoils.
- 7. **BOGA-HALLANDALE ASSOCIATION** - Nearly level to gently sloping, excessively drained, sandy soils with very heavy, impervious, clayey subsoils.
- 8. **FLORIDA-1 ASSOCIATION** - Nearly level to gently sloping, excessively drained, sandy soils with very heavy, impervious, clayey subsoils.
- 9. **FLORIDA-2 ASSOCIATION** - Nearly level to gently sloping, excessively drained, sandy soils with very heavy, impervious, clayey subsoils.
- 10. **FLORIDA-3 ASSOCIATION** - Nearly level to gently sloping, excessively drained, sandy soils with very heavy, impervious, clayey subsoils.
- 11. **FLORIDA-4 ASSOCIATION** - Nearly level to gently sloping, excessively drained, sandy soils with very heavy, impervious, clayey subsoils.
- 12. **FLORIDA-5 ASSOCIATION** - Nearly level to gently sloping, excessively drained, sandy soils with very heavy, impervious, clayey subsoils.
- 13. **NEARLY LEVEL, VERY POORLY DRAINAGE SOILS OF THE EVERGLADES** - Nearly level to gently sloping, excessively drained, sandy soils with very heavy, impervious, clayey subsoils.
- 14. **NEARLY LEVEL, VERY POORLY DRAINAGE SOILS OF THE EVERGLADES** - Nearly level to gently sloping, excessively drained, sandy soils with very heavy, impervious, clayey subsoils.
- 15. **TOURNEY ASSOCIATION** - Nearly level to gently sloping, excessively drained, sandy soils with very heavy, impervious, clayey subsoils.

U.S. DEPARTMENT OF AGRICULTURE
 SOIL CONSERVATION SERVICE
 UNIVERSITY OF FLORIDA INSTITUTE OF FOOD AND AGRICULTURAL SCIENCES
 AGRICULTURAL EXPERIMENT STATIONS, SOIL SCIENCE DEPARTMENT
GENERAL SOIL MAP
 PALM BEACH COUNTY AREA, FLORIDA
 Scale 1:100,000

SECTIONALIZED TOWNSHIP

7	1	1
8	1	1
9	1	1
10	1	1
11	1	1
12	1	1
13	1	1
14	1	1
15	1	1
16	1	1
17	1	1
18	1	1
19	1	1
20	1	1
21	1	1
22	1	1
23	1	1
24	1	1
25	1	1
26	1	1
27	1	1
28	1	1
29	1	1
30	1	1
31	1	1

Each area outlined on this map consists of one or more soil associations. For general planning purposes it is recommended that the general planning rather than the soil association be used. For decisions on the site of specific projects.

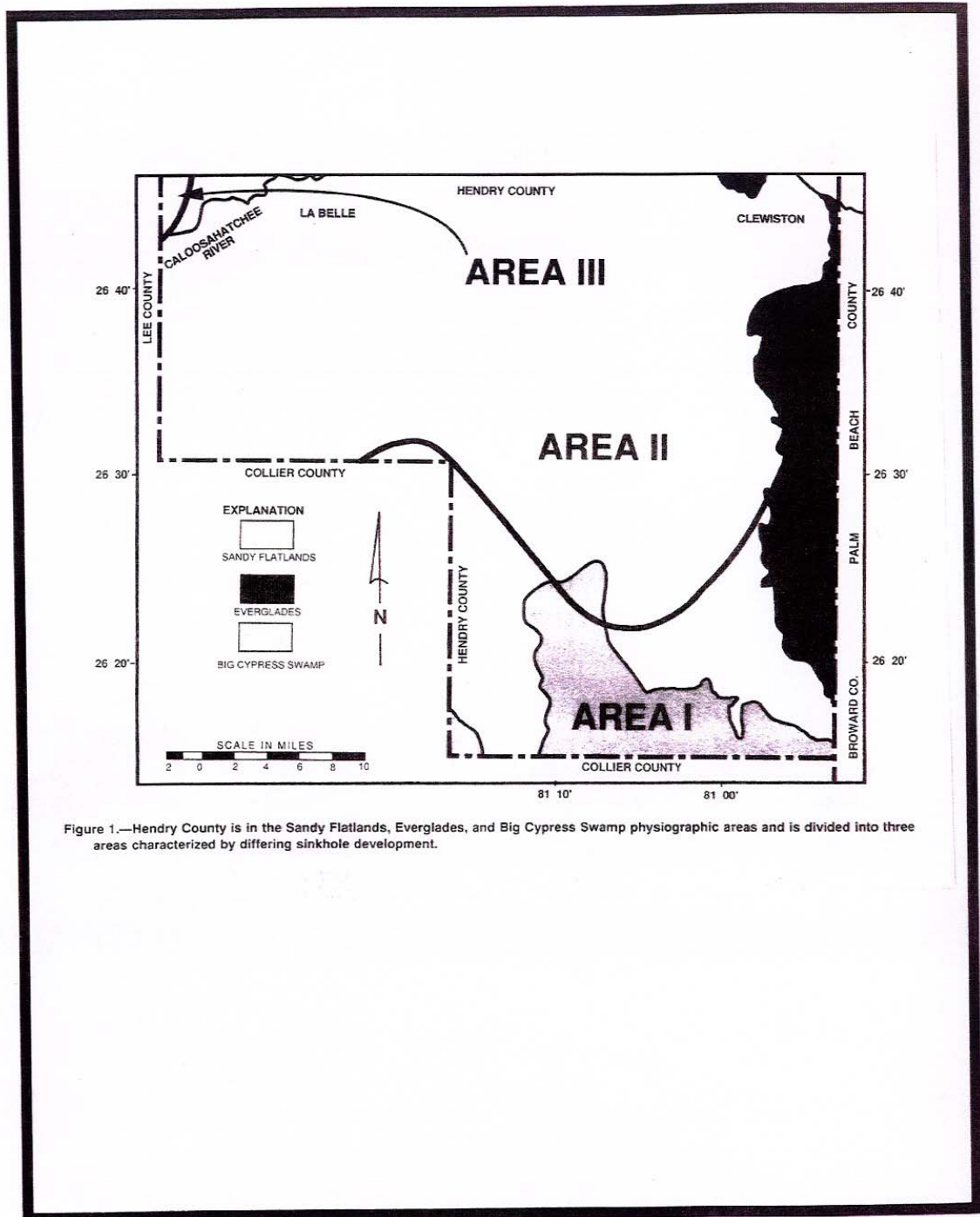


Figure 1.—Hendry County is in the Sandy Flatlands, Everglades, and Big Cypress Swamp physiographic areas and is divided into three areas characterized by differing sinkhole development.

**HENDRY COUNTY
SOIL MAP**

DISCUSSION OF APPRAISAL PROBLEM TO BE SOLVED

The problem to be solved in this assignment involves the evaluation of approximately 40,065.96± acres of land which were previously appraised in our August 2008 appraisal of all USSC-owned lands, totaling some 182,000± acres. The South Florida Water Management District currently proposes to purchase approximately 72,800± acres of land, which includes the 40,065± acres currently being appraised, as well as approximately 32,000± acres of citrus groves that are not the subject of this appraisal. These 72,800± acres were previously appraised in the first appraisal assignment with an effective date of August 15, 2008. The intended users of this report are asked to refer to that original appraisal for a complete description of the appraisal process and analyses which have been performed. That prior appraisal is, by reference, made part of this new appraisal assignment.

In this new appraisal assignment, we have once again valued those same lands as of a current date, giving consideration to each component as a stand alone unit, recognizing its independent highest and best use. We began this assignment by reviewing the work we had previously performed and the value conclusions developed by prior studies. Our analysis of the subject market area as of a current date suggests that values within this area have, for the most part, remained stable for all lands currently being appraised.

The methodologies employed and the techniques relied upon when completing this appraisal are the same as those previously relied upon, as they are considered to be the most reliable techniques utilized for the purpose of valuing land. Therefore, the primary problem to be solved in this assignment is one of estimating the current market value of four component parts as stand alone entities, i.e. as individual parcels which collectively make up a total of 40,065.96± acres, representing the subject of this appraisal.

TRANSITIONAL LANDS

HISTORY OF SUBJECT PROPERTIES – TRANSITIONAL LANDS

The 2,655.8± acres of subject land which have been classified as transitional involve, for the most part, lands which are vacant and unimproved. The South Florida Water Management District has completed research and then summarized, within various documents and spreadsheets, a history of sales for each of the subjects of this appraisal. Any intended user of this appraisal report is directed to those summary sheets which, by reference, are made part of this appraisal report when reviewing historical transactions or sales of the individual subject parcels.

Our research revealed that only one of the subject parcels classified as transitional had been contracted for sale or marketed within the past three years. This parcel lies west of the Clewiston community, in close proximity to a recently-developing area. The Bonita Bay Group contracted to purchase this parcel's approximate 502± acres with the intent of developing the land with single-family residential and some commercial product. This land is zoned to allow residential and commercial development and is located proximate to Clewiston's Wal-Mart Supercenter.

Verifications with Bonita Bay Group officials, conducted several months prior to the effective date of this appraisal, indicate that efforts to prepare this property for future development are continuing and that officials from the Bonita Bay Group are currently working with the U.S. Army Corps of Engineers in an attempt to relocate a drainage structure to allow the parcel to gain access to the Rim Canal and, ultimately, Lake Okeechobee.

A significant indicator of the generally stagnant nature of the real estate market within the Clewiston transitional area is revealed through our verification of the existing contract for portions of this property. Even though the Bonita Bay Group has closed on approximately 20± acres of the original contracted land at a price of some \$25,000/acre, they currently report that there is "no timetable for closing" on the balance of the land, as current lack of demand would not warrant immediate construction or development, and they are "waiting on the economy to improve."

DISCUSSION OF SUBJECT MARKET AREA, COMPREHENSIVE LAND USE PLAN AND DEVELOPMENTAL TRENDS

Much of the land considered to be transitional has close proximity to the City of Clewiston. Within the Comprehensive Land Use Plan for this area, public/semi-public lands make up the largest single land use category, containing approximately 20% of the total city area. In addition, the "Agriculture" land use designation comprises approximately 17% of lands lying within the city. A significant portion of the City of Clewiston is designated "Gateway Mixed Use." These areas are also designated "Urban" on the Future Land Use Map. The purpose of this category is to allow for the movement and mix of currently designated densities and intensities of use.

Lands lying outside the City of Clewiston within Hendry County are, in some cases, also considered to be transitional in nature. To assist us with the evaluation of such lands, we have reviewed the Hendry County Future Land Use Map. This map depicts areas proximate and tangent to the city limits of Clewiston as being available for Industrial, Residential Medium Density, and Transitional future land uses. According to the Hendry County Comprehensive Land Use Plan, those lands lying northerly of US 27 and westerly of the Seaboard Coastline Railroad are currently designated "Transitional" on the Future Land Use Map of Hendry County. "Transitional" represents mixed areas with some non-conforming uses which are agricultural in nature. Additionally, we note that currently there exists scattered residential and commercial use areas that may be considered in-fill and, at some future time, may be improved for residential use. The maximum gross residential density in this area is two units per acre.

Additional information has been collected during numerous inspections of the subject market area which has assisted us in better understanding which lands may have future potential to transition from agricultural to more intensive uses. Our inspection of this area revealed a low-density residential development within the transitional area, just to the west of the City of Clewiston, known as the Sky Valley Residential Community. This site is located approximately ½ mile westerly of CR 720, along the northerly right-of-way of US 27. Sky Valley is an 82-lot subdivision containing 1/3-acre lots which sold for approximately \$50,000-\$60,000/lot. The site is located on sandy soil and was historically planted in sugarcane until its conversion to a single-family residential subdivision. Some subject lands considered to be transitional lie in close proximity to this area.

**DISCUSSION OF SUBJECT MARKET AREA,
COMPREHENSIVE LAND USE PLAN AND
DEVELOPMENTAL TRENDS, CONT'D.**

Another example of a transitional land use found within the City of Clewiston is the City of Clewiston Commerce Park. The United States Sugar Corporation sold a 33±-acre tract to the City of Clewiston for the subsequent development of a light industrial subdivision, known as the City of Clewiston Commerce Park. The site is located at the southwest corner of South Olympia Street and West Aztec Avenue. The land was subsequently developed, and research indicates that several platted lots have sold as of the effective date of this appraisal.

An additional indication of the general trend of development within this area is the sale of a vacant site within the City of Clewiston. This May 2008 sale involved the Clewiston Hotel Group who purchased approximately 1.7± acres in the western portion of the city. This group is currently in the design and planning stages, anticipating future development of the land which lies along the western side of Flagler Street, just southerly of U.S. 27.

In addition, the western edges of the City of Clewiston are currently designated as "Industrial" and "Residential Medium Density" on the Hendry County Future Land Use Plan. These areas are currently utilized in an agricultural capacity and would logically be expected to take longer to transition from agricultural to a more intensive use due to current market conditions and slow economy.

The eastern fringe areas of the City of Clewiston are designated for Residential Medium Density, as well as Commercial. Anticipations are that with the eventual recovery of the real estate market, these lands may transition from an agricultural use to more intensive uses. A variety of subject properties, identified as transitional within this appraisal, lie within this general area.

SCOPE OF APPRAISAL (TRANSITIONAL LANDS)

When completing this new appraisal assignment, we have valued certain lands classified as transitional by employing the Sales Comparison Approach to value. In our prior appraisal, these same lands were previously valued with an effective date of August 15, 2008. Please see the prior appraisal for these comparable sales. Comparable sales relied upon for the purpose of establishing that value estimate will, once again, be considered for the purpose of valuing those same transitional lands as of the effective date of this appraisal. Additional comparable sales have been researched, analyzed and verified and will also be considered and included within the "Summary of Comparable Sales – Transitional Lands" shown on a subsequent page of this appraisal report. Our research indicated that the market has, for the most part, been relatively stable, as no indications of value changes for transitional lands are apparent from additional sales researched subsequent to the completion of our first appraisal. Therefore, the value estimate developed for the purpose of our first appraisal will, once again, be utilized to value transitional lands contained within this new appraisal assignment. Specific valuations of individual parcels have been considered, with the average price per acre for the collective transitional lands which are the subject of this appraisal, and are displayed for the purpose of reconciling the final value indication.

This current appraisal may be best utilized in conjunction with our prior appraisal which fully describes the various transitional parcels, their locations, and other pertinent information relating to our value conclusions. When completing this new appraisal assignment, we have been provided with parcel identification numbers for all lands appraised. These numbers differ from the original numbers used to identify those same parcels within the first appraisal report having an effective date of August 15, 2008. To assist any intended user of this report, we have included the summary sheet provided by the client which cross references the original "SE" parcel numbers, with the new parcel numbers to allow specific indication of those lands currently being appraised.

VALUE ESTIMATE – TRANSITIONAL LANDS

Once lands have been identified as transitional, which also includes lands that have been requested to be donated to various municipalities, each is then valued independently, giving consideration to the utility of the tract, its locational characteristics, existing land use designations, physical characteristics, and individual potential for future development. Giving consideration to the status of the local real estate market, anticipations are that many of the lands currently used for agricultural purposes would continue in this use on an interim basis until the market recovers and some alternative use proves to be feasible.

Parcels identified by the South Florida Water Management District on the "River of Grass Project Map Sheets" (updated August 8, 2008), were relied upon when completing our original appraisal having an effective date of August 15, 2008. Additional maps and parcel identification numbers have been provided for the purpose of identifying the lands which are now the components of this new appraisal assignment. Again, the summary sheets previously displayed illustrate the original parcel numbers and the newly-assigned parcel numbers to allow any reader of this report to cross reference those numbers with the original report. In some cases, parcels have been combined to form larger parcels and, in other instances, prior or original parcels have been reconfigured to accommodate specific community requests.

When developing a Sales Comparison Approach to value, a wide variety of comparable sales has been researched. These include lands having potential for medium density residential development, low-intensity residential development, and industrial utilization. Other lands, although currently used for agricultural production, may have potential for future development.

The final value estimate for those various components of lands identified as transitional has been accomplished by considering the mean price indicated after valuing each of the parcels individually. This value estimate is then applied to lands considered to be residential, commercial-industrial and low utility. The final value indication contained within this report, reflecting our current value estimate for transitional lands, reflects the average price of the individual value estimates of all transitional lands which are the subject of this appraisal.

TRANSITIONAL LANDS – DESCRIPTION OF SUBJECT PARCELS

The original value estimates developed in our first appraisal assignment with an effective date of August 15, 2008, were based upon comparable sales which were directly compared to the various subject parcels to provide a range of value for each subject component. Subsequent research conducted produced several additional comparable transitional sales which are now included on the transitional Summary of Comparable Sales sheet. These sales tend to indicate that the market for transitional properties within the subject areas has been stable since our original appraisal. Accordingly, our final value estimate developed for the purpose of this analysis, once again, adopts those previously developed value estimates for the individual parcels as shown in the original appraisal report. Stated alternatively, the value estimates contained within our first appraisal with an effective date of August 15, 2008 have remained unchanged and have been relied upon when valuing those same lands which are now the subject of this new appraisal assignment.

All parcels appraised in this current assignment have been previously appraised in the first appraisal assignment, with the exception of Parcel SC-200-013. This parcel, consisting of approximately 309.81± acres of land, is located in Section 30, Twp. 43S, Rge. 34E, Hendry County, Florida. This parcel represents a tract which has been requested to become community property by Hendry County and is intended to be utilized for the possible expansion or development of wastewater treatment facilities. This land was not considered transitional in a conventional sense, in that its location, physical characteristics, soil characteristics and topography suggest that its highest and best use would remain related to agriculture. This land is located to the west of Blumberg Road in the area where prior sales analyses have resulted in a value indication of \$5,000/gross acre. This parcel, for the purpose of this new appraisal assignment, will be valued based upon its agricultural value at \$5,000/acre.

SUMMARY OF VALUE ESTIMATE TRANSITIONAL LANDS

ORIGINAL NUMBERS	NEW PARCEL NUMBERS	NEW SIZE	COUNTY	LOCATION	TAX ID NUMBER
TRANSITIONAL LANDS AND LOCAL LANDS REQUEST					
SC100-006	SC200-025	24.08	HENDRY	TRAN	1344308A0000010000
SC100-007	SC200-022	290.43	HENDRY	TRAN	3344309A0000021100
SC100-008	SC200-021		HENDRY	TRAN	3344317A0000010000
SC100-009	SC200-021	101.26	HENDRY	TRAN	3344317A0000020000
SC100-011	SC200-023		HENDRY	TRAN	3344309A0000010A00
SC100-012	SC200-023		HENDRY	TRAN	334430101000410010
SC100-013	SC200-023		HENDRY	TRAN	334430101001250010
SC100-014	SC200-023		HENDRY	TRAN	334430101000420010
SC100-015	SC200-023		HENDRY	TRAN	334430101000400010
SC100-016	SC200-023		HENDRY	TRAN	334430101000380020
SC100-017	SC200-023		HENDRY	TRAN	334430101001290010
SC100-018	SC200-023		HENDRY	TRAN	334430101001300010
SC100-019	SC200-023		HENDRY	TRAN	334430101000670010
SC100-020	SC200-023	102.71	HENDRY	TRAN	334430101000660010
SC100-021	SC200-024	0.56	HENDRY	TRAN	3344302400000A0070
SC100-028	SC200-020		HENDRY	TRAN	3344316A0000100000
SC100-029	SC200-020	117.38	HENDRY	TRAN	3344316A0000130000
SC100-031	SC200-019		HENDRY	TRAN	3344316A0000160000
SC100-032	SC200-019		HENDRY	TRAN	334430101004880010
SC100-033	SC200-019	13.51	HENDRY	TRAN	334430101004920020
SC100-035	SC200-016	7.41	HENDRY	TRAN	3344315A0000030000
SC100-036	SC200-015	7.49	HENDRY	TRAN	3344315A0000040000
SC100-037	SC200-017	16.39	HENDRY	TRAN	3344316A0000150000
SC100-104	SC200-011	166.18	PALM BEACH	TRAN	00364413000001000
SC100-104	SC200-012	461.88	PALM BEACH	TRAN	00364413000001000
SC100-124	SC200-009		PALM BEACH	TRAN	48374204000001000
SC100-125	SC200-009	655.75	PALM BEACH	TRAN	48374204000001000
SC100-169	SC200-014	15.28	HENDRY	TRAN	
SC100-114	SC200-010	365.68	PALM BEACH	T BEL GL	00374339000000030
SC100-044	SC200-013		HENDRY	T WBBR	1344406A0000010000
WWTA	SC200-013	309.81	HENDRY	T WBBR	1334324A0000010000
TOTAL TRANSITIONAL LAND	2,655.80	ACRES @	\$ 15,814	PER AC =	\$ 41,998,821

VALUATION ANALYSIS – TRANSITIONAL LANDS

Our research and analysis of comparable sales which occurred subsequent to our first appraisal having an effective date of August 15, 2008, indicate the basic stability of the market for transitional lands previously valued. These sales, which are found in the Addenda section of this report and which are also summarized on the transitional sales chart previously displayed, have been relied upon to assist us in confirming that the basic values contained within that first appraisal would, in our opinion, remain unchanged when estimating the current market value of those same parcels in this new appraisal assignment.

Our final value estimate for those lands identified as transitional concludes that the values contained within the first appraisal of August 15, 2008 remain appropriate indications of the current market value for the individual sites which are the subject of this new appraisal assignment. The sum of the value for those transitional parcels which are now the subject of this new appraisal has been utilized as a basis to estimate the average price per gross acre reflected within the value conclusion shown below. The individual transitional parcels which have been identified on the summary of value estimates chart previously displayed have been individually appraised and, when these total values are summed and then divided by the 2,655.80± acres, the average price per acre for all transitional lands included within this appraisal equals approximately \$15,814/gross acre. To estimate the value of lands currently proposed for purchase and identified as transitional, the following summary is provided.

VALUE ESTIMATE OF TRANSITIONAL LANDS

2,655.8± Acres @ \$15,814/Gross Acre = \$41,998,821.

as of May 1, 2009.

TRANSITIONAL SALES SUMMARY CHART

TRANSITIONAL SALES SUMMARY COMMERCIAL INDUSTRIAL

SALE #	Sale Date	Sale Price	Size Ac	Price/Ac	County	Grantor	Grantee
H-52	11/23/2005	\$13,882,800	277.07	\$50,106	HENDRY	ALICO INC	DUKE GROVE,LLC
H-49	7/6/2005	\$1,261,700	140.00	\$9,012	HENDRY	BETTY JEAN LEE	WEEKLEY BROS. LEASING
H-12	1/12/2007	\$1,428,500	33.70	\$42,389	HENDRY	USSC	CITY OF CLEWISTON
PB-70	5/18/2006	\$1,100,000	31.88	\$34,504	PALM BEACH	CHESTER H. MULLIS	GENARO PRODUCE INC.
H-37	11/30/2007	\$1,159,400	21.10	\$54,948	HENDRY	USSC	KNAPHEIDE TRUCK EQUIP
H-56	8/30/2005	\$216,000	6.17	\$35,008	HENDRY	USSC	DARRK LLC
H-43	6/2/2008	\$737,500	5.90	\$125,000	HENDRY	CITY OF CLEWISTON	BUCHANAN

TRANSITIONAL SALES SUMMARY LOW UTILITY PROPERTIES

SALE #	Sale Date	Sale Price	Size Ac	Price/Ac	County	Grantor	Grantee
S-3074	10/1/2004	\$1,095,000	401.92	\$2,724	SARASOTA	VENICE MINERALS & MINING	SARASOTA CO
COL-67	12/12/2003	\$424,452	353.71	\$1,200	COLLIER	ALICO INC	MIROMAR LAKES LLC
PB-83	4/1/1996	\$82,500	160.00	\$516	PALM BEACH	FNB PROPERTIES	KAHLERT

TRANSITIONAL SALES SUMMARY CHART RESIDENTIAL

SALE #	Sale Date	Sale Price	Size (Acres)	Price/Ac	County	Grantor	Grantee
M-5(1883/1)++	4/5/2004+	\$10,938,700	1,215.41	\$9,000	MARTIN	CAMAYEN CATTLE CO	BRANT
M-4(2324/2214,2222)	4/25/2008	\$10,154,300	574.80	\$17,666	MARTIN	CAMAYEN CATTLE CO	PORT MAYACA PLANTATION, LLC
G-5(271/200+)	11/9/2007	\$4,992,500	532.19	\$9,381	GLADES	WEEKS CATTLE CO.	TRITON VI, INC.
M-3(2143/51)	5/11/2006	\$10,154,300	465.00	\$21,837	MARTIN	CAMAYEN CATTLE CO	PORT MAYACA PLANTATION, LLC
G-4(263/572)	4/5/2007	\$6,235,300	286.96	\$21,729	GLADES	JAMES S. CLICK, INC	S.T.O.F. HOLDINGS, LTD
H-48(751/846)	10-26-2006	\$2,270,000	163.79	\$13,859	HENDRY	HENDRY INDUSTRIES, LLC	HENDRY VENTURE, LLC
G-3(259/907)	12/1/2006	\$2,200,000	143.8	\$15,299	GLADES	ROBIN WEEKS FND.	LONG HAMMOCK GROVE INC
H-58(677/289)	6/18/2004	\$1,130,000	113.00	\$10,000	HENDRY	CAROLINE PAPE, ET AL	FLORIDA BUSINESS CENTERS
H-47(694/302)	2/17/2005	\$552,200	55.00	\$10,040	HENDRY	VIRGINIA ADAMS	PALM DEVELOPMENTS INC.
PB-71(21444/1175)	2/21/2007	\$1,505,000	42.95	\$35,041	PALM BEACH	SBG FARMS, INC	BW BELLE GLADE LLC
PB-81(20675/1148)	6/30/2006	\$1,200,000	40.37	\$29,725	PALM BEACH	T&M OF PALM BEACH, INC.	GLADES DEVELOPMENT PARTNERSHIP 1, LTD.
PB-67(192727/1311)++	9/15/2005	\$402,346	28.74	\$14,000	PALM BEACH	FIVE SMOOTH STONES	PORT MAYACA LAND, LLC
PB-77(20135/343)	3/24/2006	\$875,000	25.00	\$35,000	PALM BEACH	JOHN MARK THOMPSON	BW BELLE GLADE LLC
PB-73(21757/246)	5/10/2007	\$750,000	23.13	\$32,425	PALM BEACH	JOEL L. TABAS	SOUTH BAY ACQUISITIONS
H-36(775/67,71)	9/20/2007	\$517,800	20.71	\$25,002	HENDRY	USSC	RESOURCE CONSERVATION PROPERTIES INC..ET AL
PB-82(19796/358)	1/5/2006	\$900,000	19.99	\$45,023	PALM BEACH	THN INC.	T&M OF PALM BEACH, INC.
PB-79(19635/1708)	11/18/2005	\$400,000	19.88	\$20,121	PALM BEACH	ROY VANDEGRIFT JR	MIDWAY FOUNDATION INC
H-57(711/1853)	8/10/2005	\$600,000	19.68	\$30,488	HENDRY	FL RICE MILL INC	REY BERMUDEZ
PB-79A(22649/367)	5/13/2008	\$423,000	15.00	\$28,200	PALM BEACH	MIDWAY FOUNDATION	SCHOOL BOARD OF PBC, FL
PB-74(22718/1343)	6/18/2008	\$516,000	12.00	\$43,000	PALM BEACH	LEWIS FRIEND FARMS, INC.	MIDWAY CORPORATION
PB-80(22649/453)	2/13/2008	\$300,000	10.34	\$29,014	PALM BEACH	SCHOOL BOARD OF PBC, FL	MIDWAY FOUNDATION
H-45(715/585)	8-25-2005	\$1,000,000	7.75	\$129,032	HENDRY	WALKER	LENNAR HOMES
PB-269	3/1/2009	\$450,000	27.70	\$16,245	PALM BEACH	MCGAHEE	MYACCA MINING LLC
H-59	5/1/2008	\$335,000	2.20	\$152,273	HENDRY	PITTMAN	ABC TRANSFeR
PB-270	11/1/2008	\$158,520	4.01	\$39,531	PALM BEACH	ROGERS	MOSS
PB-271	2/1/2009	\$117,560	6.89	\$17,062	PALM BEACH	CITY OF SOUTH BAY	SOUTH BAY COMMERCIAL
PB265	3/1/2009	\$5,700,000	121.00	\$47,107	PALM BEACH	5 SMOOTH STONES	MYACCA MINING LLC
MEAN INDICATIONS	5/2/2007	\$64,777,526	3,997.29	\$16,205			

AGRICULTURAL LANDS

VALUATION ANALYSIS – AGRICULTURAL LANDS

This new appraisal assignment also includes the evaluation of agricultural lands which were previously valued in our appraisal with an effective date of August 15, 2008. These agricultural lands, which are proposed for purchase, lie within areas that have been previously analyzed based upon their locational characteristics, productivity and soil depth. These lands are identified as follows.

- Moore Haven S-4 Lands: 3,461.02± Acres
- Agricultural Lands East of Blumberg Road: 25,246.22± Acres
- Lands Located Proximate to Pahokee: 8,702.92± Acres

When completing our value estimate of the above-referenced properties, we have applied a Sales Comparison Approach to value. Our prior appraisal relied upon a number of comparable sales which had been researched, inspected, verified and analyzed to provide a range of value for each of the component parts based upon location, productivity and soil characteristics.

Additional comparable sales research conducted subsequent to the completion of our prior appraisal report revealed several comparable sales of agricultural properties throughout the subject market areas. These comparable sales have been included in the Summary of Comparable Sales sheet found within subsequent sections of this appraisal report. These comparable sales, involving agricultural properties, tend to indicate that the general market for agricultural land within the subject areas has been stable, as we have found no market evidence suggesting declines in value. The results of this analysis, we believe, is understandable when consideration is given to the typical motivations of buyers and sellers of agricultural lands within the subject market area. Traditionally, these lands have not been the subject of speculation for future residential or more intensive development and, therefore, the rapidly rising prices which were experienced throughout many areas of the state in 2004-2005 were not reflected within these agricultural districts.

VALUATION ANALYSIS – AGRICULTURAL LANDS

Organic and mineral soils in this area are perceived by the market to be predominantly agricultural in nature, and the pricing of such lands is largely driven by the actual income they are capable of producing. Few market participants have historically been willing to speculate that these agricultural lands would transition into more intensive uses when their location, soil characteristics, and Comprehensive Land Use Plan designations would not facilitate such transitional speculative uses.

Therefore, the value estimates reflected within our original appraisal having an effective date of August 15, 2008, have been, once again, relied upon as value indications as of the effective date of appraisal.

MOORE HAVEN S-4

Giving consideration first to those agricultural lands consisting of some 3,461± acres located proximate to the Moore Haven S-4 area, we note that this area was originally included in our analysis of lands identified as lands lying west of Blumberg Road. Lands within this area are notably sandy in nature and are typically considered to be less productive than lands having muck soils.

When completing our first appraisal assignment of all lands lying west of Blumberg Road, a large area consisting of some 30,695± acres of land, was included as a component of that appraisal. That first appraisal recognized that much of the land lying south of the Moore Haven community, south of S.R. 80, did not enjoy the soil characteristics or locational advantages associated with the 3,461.02± acres currently proposed to be purchased. An average price per acre was developed to value this larger tract of land when completing the first appraisal. This, again, recognized that much of the land was less desirable and less productive. The resulting value conclusion reflected within the first appraisal for all lands lying west of Blumberg Road, including the 3,461.02± acres currently proposed to be purchased, was in the amount of \$5,000/gross acre.

VALUATION ANALYSIS – AGRICULTURAL LANDS, CONT'D.

When completing this new appraisal assignment, we recognized that the Moore Haven S-4 lands which are the subject of this appraisal, even though located within the west Blumberg Road area, enjoy characteristics not common to the average lands previously valued and identified as lying west of Blumberg Road. That is to say that these lands, that is the 3,461± acres which are the subject of this appraisal, lie in close proximity to Lake Okeechobee and within an area which has notably superior muck type soils, with substantial depth of soils, as well. These lands are considered to be some of the most productive and, therefore, most valuable agricultural lands owned by USSC.

When valuing the subject lands as a component of the larger original appraisal, comparable sales ranging in price from approximately \$3,500/gross acre to \$9,700/gross acre were researched and analyzed. More recent comparable sales research further support the upper range of value for these desirable and highly productive lands, with sales ranging up to \$10,000/gross acre for lands having comparable productivity. Comparable sales relied upon for the purpose of this analysis are shown on summary sheets and are also contained in their entirety within subsequent sections of this appraisal report.

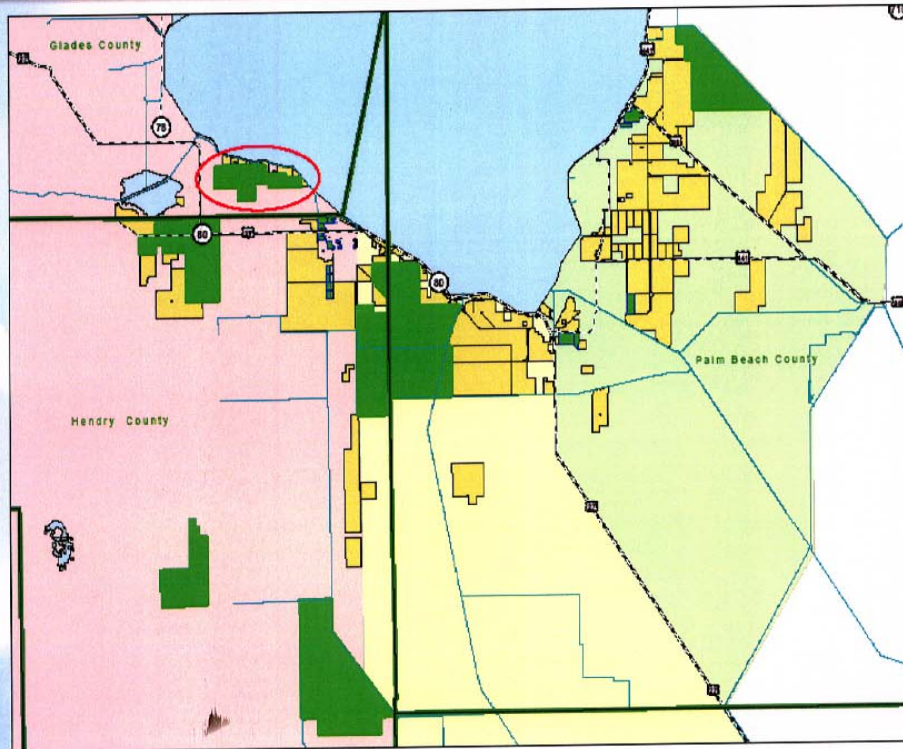
When valuing the Moore Haven S-4 lands, we have recognized that their productivity and close proximity to Lake Okeechobee make those lands substantially more valuable than the average price of \$5,000/acre originally reflected within our appraisal of the 30,695± acres of land lying west of Blumberg Road. Our value estimate for the 3,461± acres is based upon the upper range of value, as this range of value is well supported by sales having similar productivity to the lands sought to be purchased at this location. Our final value estimate for these lands is based upon \$8,500/gross acre.

VALUE ESTIMATE OF MOORE HAVEN S-4 LANDS

3,461.02± Acres @ \$8,500/Acre = \$29,418,670.

as of May 1, 2009.

Appraisals Moore Haven



<u>Acreage</u>	<u>\$/Acre</u>	<u>5/2009 Value</u>
3461.02 ac	\$8500	\$29,418,670

VALUATION ANALYSIS – AGRICULTURAL LANDS, CONT'D.

AGRICULTURAL LANDS – EAST OF BLUMBERG ROAD

The next subject component of this new appraisal assignment is lands lying easterly of Blumberg Road. Lands at this location are traditionally known for their organic soil characteristics and their general suitability for the production of sugarcane, as well as alternative agricultural crops. Within this appraisal, the value estimate for approximately 25,246.22± acres of land is developed. These lands were also appraised in our original appraisal with an effective date of August 15, 2008. That prior appraisal included the same 25,246.22±-acre component within a larger component identified as 42,960± acres lying east of Blumberg Road. Employing a Sales Comparison Approach to value, those lands were originally valued at \$5,500/gross acre. This value estimate was developed by analyzing comparable sales and emphasizing the somewhat median range of value for agricultural lands which have sold in the EAA.

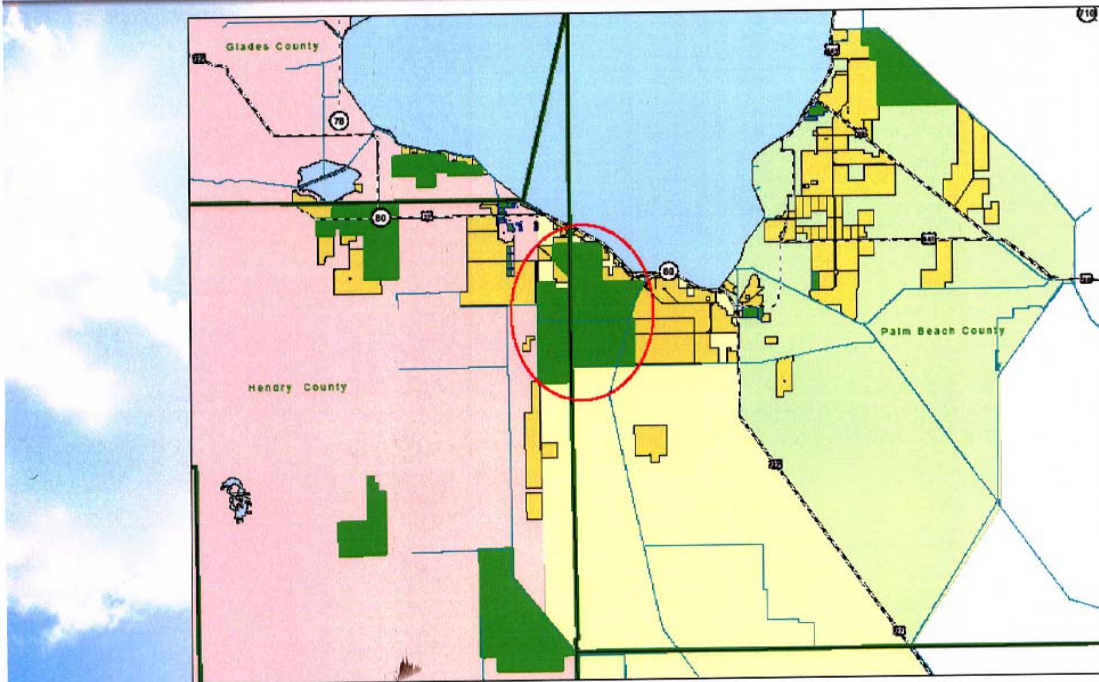
When completing the value estimate in this appraisal for the 25,246.22± acres of land, the general or average value previously reflected within our first appraisal is considered to be appropriate and is, once again, relied upon for the purpose of estimating the current value. These lands are considered to be typical of organic lands located in the EAA, and are comparable in many respects to those lands originally included in our previous appraisal, therefore, suggesting that no change in value would be appropriate.

VALUE ESTIMATE OF AGRICULTURAL LANDS EAST OF BLUMBERG ROAD

25,246.22± Acres @ \$5,500/Acre = \$138,854,210.

as of May 1, 2009.

Appraisals Central Agriculture Area



<u>Acreage</u>	<u>\$/Acre</u>	<u>5/2009 Value</u>
25,246.22 ac	\$5500	\$138,854,210

VALUATION ANALYSIS – AGRICULTURAL LANDS, CONT'D.

LANDS - PAHOKEE

The final component of agricultural lands included within this new appraisal assignment is identified as land lying in close proximity to the Pahokee community in the northeast area of all lands owned by USSC. These lands, which are now identified as Parcel SE-200-08, represent lands which have close proximity to the warming waters of Lake Okeechobee, and are also known to be located within an area where muck depth and productivity is superior to much of the land within the EAA. The total size of the parcels valued in this appraisal is 8,702.92± acres.

These lands, once again, were valued originally in our appraisal having an effective date of August 15, 2008. At the time of the completion of that appraisal, these 8,702.92± acres of land represented a component of some 56,985± acres of land identified as lands lying east of U.S. 27, running north proximate to the community of Pahokee. Much of this land, that is the entire 56,985± acres, did not have close proximity to the warming waters of Lake Okeechobee. Additionally, much of the land was located a significant distance from the lake, where the depths of muck were reportedly inferior to lands having closer proximity to the lake. These lands were originally valued based upon a Sales Comparison Approach, recognizing that this location is superior to many of the other locations within the EAA, at a value of \$7,500/gross acre.

When valuing the 8,702.92± acres which are the subject of this new appraisal assignment, we have recognized that one of the more favorable components of the original lands identified as Pahokee are now being considered for purchase. These lands are considered to be significantly more productive than the "average" lands which were originally valued as a component of the 56,985± acres of land previously described. Our analyses suggest and market verifications confirm that lands located in close proximity to Pahokee and Lake Okeechobee represent some of the best agricultural lands found within the EAA.

VALUATION ANALYSIS – AGRICULTURAL LANDS, CONT'D.

When applying a Sales Comparison Approach to value these lands, we have once again relied upon a wide variety of comparable sales which have been previously developed and are included in our original appraisal. Additional comparable sales having similar locational characteristics, occurring subsequent to our prior appraisal, have also been researched, analyzed, verified and relied upon for the purpose of completing this analysis. Once again, these more recent comparable sales have indicated that the market for agricultural lands within this community is stable and has not significantly changed since our original appraisal.

Comparable sales occurring in the Pahokee area have consistently indicated values substantially greater than the values of lands located in alternative locations. Comparable sales researched in this location indicate values ranging from approximately \$7,500/gross acre to in excess of \$10,000/gross acre. Once again, those comparable sales are shown and described on the Comparable Sales Summary Chart contained within subsequent sections of this report.

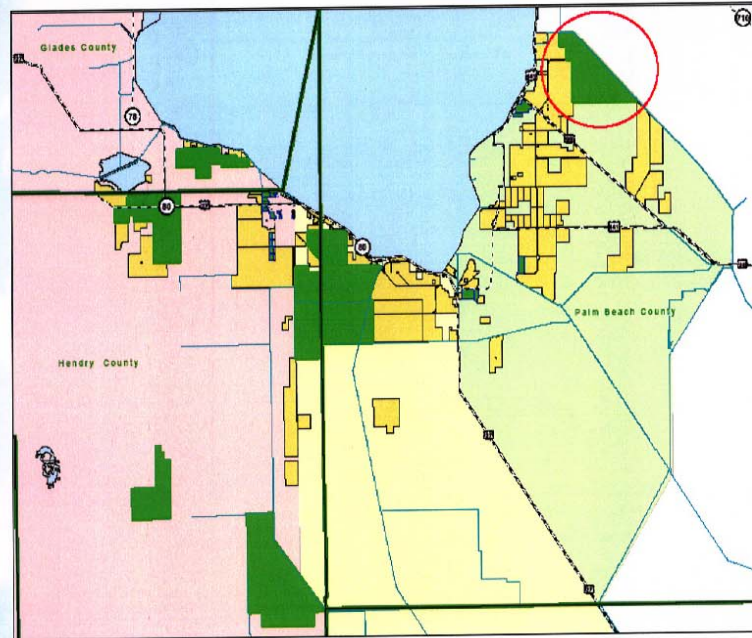
When completing our value estimate for the Pahokee lands, we have emphasized the upper range of value in recognition of the superior muck depth and locational advantages enjoyed by these properties. The final value estimate is based upon a price of \$9,000/gross acre.

VALUE ESTIMATE OF PAHOKEE LANDS

8,702.92± Acres @ \$9,000/Acre = \$78,326,280.

as of May 1, 2009.

Appraisals Pahokee



<u>Acreage</u>	<u>\$/Acre</u>	<u>5/2009 Value</u>
8702.92 ac	\$9000	\$78,326,280



CONSULTATION PERTAINING TO

**EXCLUSIVE OPTION TO PURCHASE
ALL REMAINING LANDS OF
THE U.S. SUGAR CORPORATION**



SUMMARY OF TERMS OF OPTION

Documents provided by the South Florida Water Management District indicate and describe that there are actually two options to purchase the remaining lands owned by USSC. The first of these is an exclusive option for a period of three years, allowing SFWMD to purchase all remaining lands of USSC at a fixed price of \$7,400/gross acre. This consultation relates only to the exclusive option and disregards any consideration of the non-exclusive option or non-exclusive option period, along with terms and conditions associated with that non-exclusive option.

TERM

3 Years from closing date of initial purchase of 72,800± acres of land owned by USSC.

OPTION IDENTIFICATION

Exclusive option to purchase all, but not less than all, remaining lands owned by USSC.

LANDS UNDER OPTION

All lands located in Hendry, Glades and Palm Beach Counties, consisting of 107,187± acres, owned by USSC.

OPTION EXERCISE PERIOD

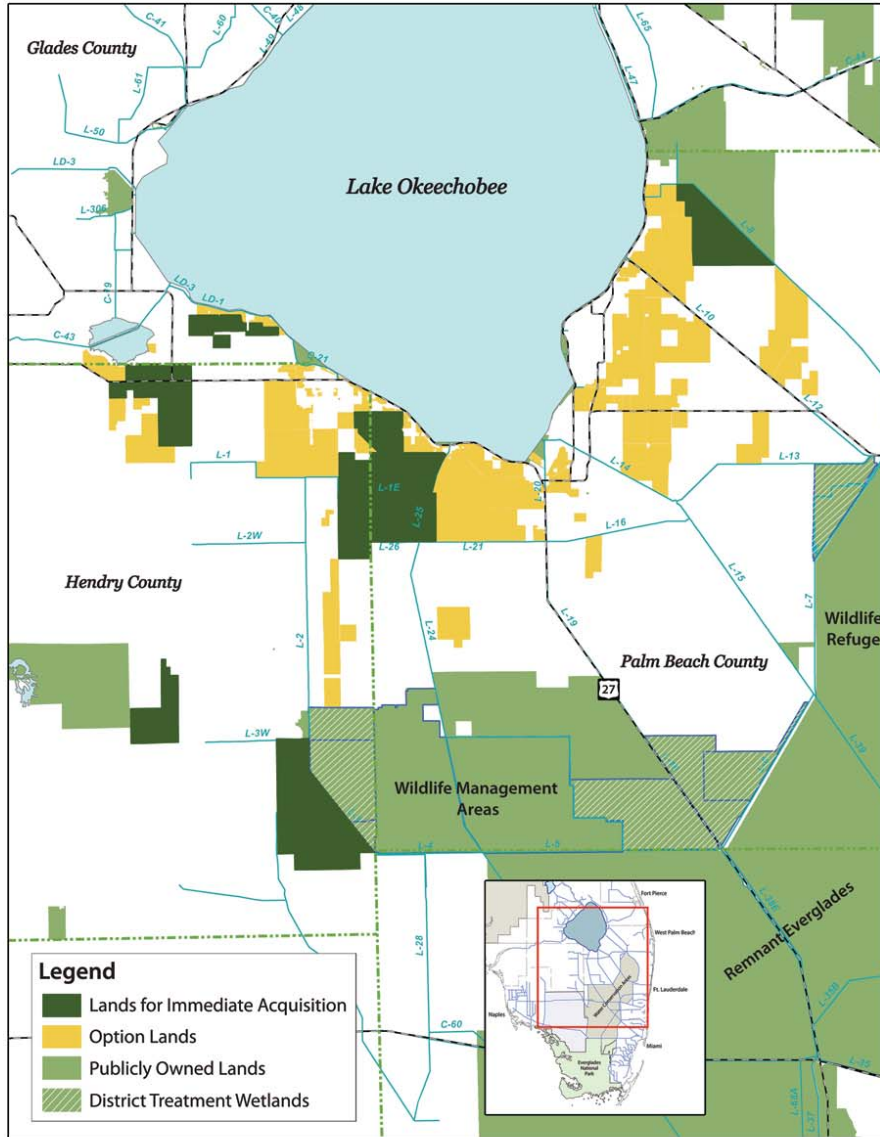
Any time during the applicable option period.

PURCHASE PRICE EXCLUSIVE OPTION

\$7,400/Gross Acre for all lands.

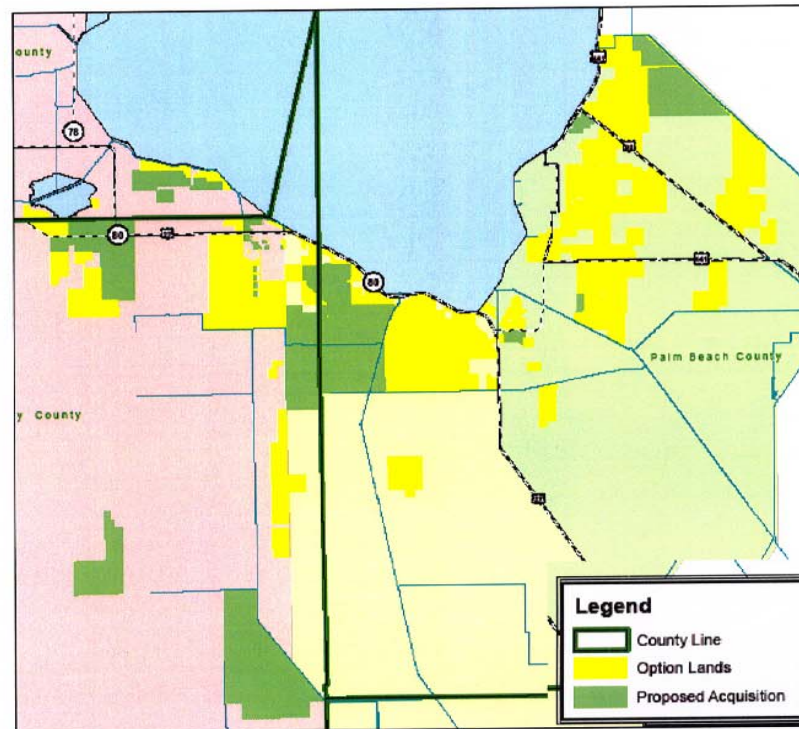
EFFECTIVE DATE OF OPTION CONSULTATION

May 1, 2009



Everglades Land Acquisition Option Lands

- No option cost
- Total consideration includes option benefit
- Utilized expertise of Stuart Limb
- Analysis explanation



SCOPE OF SERVICES – OPTION ANALYSIS

This assignment includes a separate and distinct analysis which, at the request of our client, has been performed with the intended use of assisting the client in better understanding if the exclusive option to purchase the remaining lands owned by the United States Sugar Corporation at a fixed price of \$7,400/acre, allows the purchase to be consummated at a total price less than the current appraised value of the option lands. Within this document, we have previously described our current appraisal of the four components, totaling some 40,065.96± acres of land now being considered for purchase from USSC by SFWMD. These 40,065.96± acres represent only a portion of the approximately 72,800± acres of land which SFWMD is now considering purchasing from USSC. The difference between those lands currently appraised and the total lands proposed for purchase is accounted for by the approximate 32,000± acres of citrus groves which have specifically been excluded from this new appraisal assignment.

The second portion of this assignment, which analyzes the exclusive option to purchase all remaining lands owned by USSC, is considered to be an appraisal consulting assignment, as it includes the process of developing an analysis, recommendation or opinion to solve a problem, where an opinion of value is a component of the analysis. This assignment is performed for the purpose of providing our clients and intended users of this report with an indication of the mathematical difference, whether that be positive or negative, between market value of the remaining lands owned by USSC and the option price to purchase those same lands, which consist of approximately 107,000± acres.

Prior to accepting this assignment, we have agreed with our clients that these analyses are not intended, in any way, to convey an estimate of any market value of the exclusive option. This analysis is performed with reliance upon our prior appraisal and the value conclusions reflected therein, having an effective date of August 15, 2008. Where appropriate, we have also completed an appraisal of any component parts to provide a current market value estimate, if those component parts were considered to have a value different from that reflected within our original appraisal document. As described within the prior appraisal report, components of value contained within that first appraisal report have been required to be adjusted to reflect for the proposed purchase of lands from those original components appraised. By reference, that prior appraisal is made part of this analysis and report.

SCOPE OF SERVICES – OPTION ANALYSIS,
CONT'D.

Value estimates developed in our original appraisal, having an effective date of August 15, 2008, remain unchanged (even though some components required adjustment for current proposed purchase) for the purpose of this analysis for all parcels appraised, with the exception of two significant components of land which were identified as transitional lands having a highest and best use related to limestone production. The current proposed purchase of some 72,800± acres of land has had an impact upon the average value of the component parts originally appraised and adjustments have been made to reflect for the differences in value. However, once again, the basis for this comparison remains with our first appraisal, which we have concluded, through market research, represents the current market value of remaining lands owned by USSC as of May 1, 2009.

The value estimate for the two component parts of lands remaining to be purchased under the option which have, in our opinion, experienced a change in value subsequent to our first appraisal have, once again, been appraised so that a current value estimate of those lands may be compared to the option price to purchase those lands. This change in value is reflected by the market, due primarily to changes which have occurred in the limestone market in south Florida, and also due to the advancement of permitting for the two parcels which has occurred subsequent to our prior appraisal.

EVALUATION OF STEWART MINING INDUSTRIES, INC. LANDS

The first of the component parts which we believe has experienced a change in market value since our original appraisal is identified as the Stewart Mining Industries, Inc. site which lies approximately 10± miles to the east of the community of Pahokee. This site contains approximately 5,400± acres of land which, at the time of our first appraisal, was in the process of being permitted to allow for active limestone mining. These lands had obtained entitlements, including a resolution adopted by the Palm Beach County Zoning Commission on May 4, 2006 approving a Class A conditional use to allow a Type III-B excavation. Additional permits, including the DEP Environmental Resource Permit, had been issued.

Permits from the South Florida Water Management District, including the Consumptive Use Permit and an Industrial Wastewater Permit, had yet to be issued. Further research has recently indicated that these permits have now been obtained, as well as permits to allow blasting of materials, and other entitlements to permit the mine to begin operation, once the final review by the Army Corps of Engineers has been completed.

This land is leased to the Stewart Mining Industries, Inc. by USSC as reflected within a Memorandum of Lease recorded in Palm Beach County records on July 2, 2008. This lease calls for the mine to be operated for a term of 35 years, with expectations that the yield of the site would produce 2.5 million tons of aggregate products annually. Additional terms of the lease between Stewart Mining Industries, Inc. and USSC are reflected within the Non-Confidential Recorded Memorandum of Lease contained within the Addenda section of this report.

This consultation assignment focuses upon the mathematical calculation of the difference, whether that be negative or positive, between the current market value for the remaining lands owned by USSC and the stated option price. Recognizing that the purchase of the Stewart Mining Industries, Inc. lands by SFWMD, pursuant to the terms of the option, would result in the transfer of only the leased fee interest, a current market value of that leased fee interest must be developed so that it might be compared to the stated option price. Also referred to as a leased fee estate, this interest is typically described as an ownership interest held by a landlord, with the right of use and occupancy conveyed by lease to others; the rights of the lessor or the leased fee owner and leased fee are specified by contract terms contained within the lease.

EVALUATION OF STEWART MINING INDUSTRIES, INC. LANDS, CONT'D.

Therefore, if the South Florida Water Management District purchases the remaining lands owned by USSC, including the Stewart Mining Industries, Inc. parcel, the rights obtained by the District would be limited to the right to receive the income specified in the lease, plus the value of the reversion of the land at the termination of the lease. The value of the potential income capable of being produced pursuant to the lease represents a unique appraisal problem requiring the expertise of an appraiser who specializes in the evaluation of such mining interests. While real estate appraisers are commonly called upon to perform evaluations of leased fee interests, the evaluation of mineral interests presents a significantly more complicated appraisal problem. Mineral evaluations require an accurate prediction and projection of future demand and supply of such products and further require the analysis of transportation costs and other factors which ultimately lead the mineral appraiser to a conclusion as to the net income which a mining property is capable of producing. The evaluation of the Stewart Mining Industries, Inc. property is further complicated by the fact that a large component of the industry has recently been prohibited from mining due to lawsuits filed by environmental groups, resulting in the Dade County rock market being temporarily shut down within the Lake Belt region. These factors, collectively, required that a specialist be employed to assist us in this complicated appraisal problem.

Evaluation of the leased fee estate has been accomplished by employing an expert who specializes in the analysis of such mineral interests. Mr. J. Stuart Limb, FRICS, AIMA is the principal appraiser in the firm CMC, Inc. which specializes in the appraisal of mineral interests and construction materials. Mr. Limb has recently completed appraisals within the subject market area and is familiar with the rapidly-changing construction materials market found within Florida. Mr. Limb was also recently asked by the Florida Legislature to make a presentation describing the current status of Florida's rock mining industry. Mr. Limb was asked to prepare an analysis reflecting the value of those lands which may be purchased by the South Florida Water Management District, should the option to purchase be exercised.

EVALUATION OF STEWART MINING INDUSTRIES, INC. LANDS, CONT'D.

Mr. Limb's evaluation began with the review of the terms of the lease and resulted in the development of several different scenarios which recognize that the market for rock within South Florida is largely dependent upon supply and demand within this market area. These various scenarios provide a range of value indicated by considering market variables which could significantly influence the royalty payments flowing to SFWMD during the term of the lease.

When analyzing the value to the South Florida Water Management District based upon the Stewart Mining Industries, Inc. land lease, Mr. Limb has developed three separate and distinct valuation models which demonstrate the range of value he concludes to be most appropriate to reflect the current market value of the leased fee interest. They are as follows:

SCENARIO 1:

Value estimate developed strictly under the terms of the existing mining lease between USSC and Stewart Mining Industries, Inc. This anticipates that the lease would produce income based upon the general terms of the current lease in quantities of materials identified for production.

SCENARIO 2:

Anticipating the re-negotiation of the lease and the following conditions.

- a) Current lawsuit between environmentalists and rock producers within the Lake Belt area ends in favor of Lake Belt producers, thereby allowing renewed production of mining materials from the Dade County market.
- b) Primary local competition within Palm Beach County market, exhaust existing reserves.
- c) Shipment of rock product from Stewart Mining Industries, Inc. site permitted by both road and rail.

EVALUATION OF STEWART MINING INDUSTRIES, INC. LANDS, CONT'D.

SCENARIO 3:

Following assumptions:

- a) Rock producers in Lake Belt area do not prevail in existing lawsuit severely restricting supply of limestone from Dade County market.
- b) Primary competitor within Palm Beach market to Stewart Mining Industries, Inc. depletes reserves.
- c) Transportation of product by both trucking and rail shipment are permitted.

The value estimates developed by Mr. Limb in his professional letter opinion of value are as follows:

Scenario 1: From \$26,470,500 to \$45,856,500.

Scenario 2: From \$42,625,500 to \$62,011,400.

Scenario 3: From \$68,473,400 to \$93,675,200.

Work sessions in the office of Mr. Stuart Limb to provide additional information and insight into these value estimates and the various scenarios developed has further assisted the appraiser in better understanding which of the value conclusions should be utilized for the purpose of the option analysis. Scenarios 2 and 3 involve significantly different assumptions with regard to supply of rock materials which would flow from the Dade County market Lake Belt area. We believe it is most difficult to accurately predict, based upon information provided by Mr. Limb, the actual supply of product coming from the Dade County market which would compete with the Stewart Mining Industries, Inc. lands. The value estimates, based upon assumptions developed in Scenarios 2 and 3, therefore, have been given lesser emphasis when developing an estimate of the current market value of this encumbered land.

EVALUATION OF STEWART MINING INDUSTRIES, INC. LANDS, CONT'D.

Scenario 1 values the subject based upon the actual current terms of the lease. The difference in value between the \$26,470,500 and the \$45,856,500 is largely due to assumptions relating to production of product and transportation. Mr. Limb's analysis strongly suggests that the full capacity of these lands could be expected to be attained based upon the anticipations of the declining products coming from competitors, as well as the increase in demand projected for the subject area. Additionally, Mr. Limb points out that re-negotiation of the lease to allow both truck and rail service to deliver product would prove to be a benefit to the mine operator, as well as to the lessor. Therefore, it is logical to conclude that both the lessor and lessee would look favorably upon such re-negotiation.

In the course of completing this analysis, we have personally spoken with principals of Stewart Mining Industries, Inc. Confidential information obtained in the course of this discussion further confirms the likelihood that the operation of the limestone mine would, most probably and reasonably, be expected to result in the upper range of royalties being paid as indicated under Scenario 1. For these reasons and for the purpose of the option analysis, we have, therefore, emphasized a value of the leased fee in the amount of \$45,856,500, representing the upper range of value under Mr. Limb's analysis of Scenario 1. This is equivalent to a price of approximately \$8,461/gross acre.

An additional and somewhat minor factor must also be considered when valuing the leased fee interest associated with the Stewart Mining Industries, Inc. property. In addition to the income which SFWMD would expect to receive based upon the terms of the lease, the District will also have the right to the reversion of the property upon the termination of the lease. The term of the lease, which is, at a minimum of 35 years, would result in a discounting to present value of the reversionary lands to the extent that this reversionary value would be considered somewhat nominal. For the purpose of analyzing this option, a value in the amount of \$8,500/acre has been employed, which includes both value attributed to the present value of the income projected to be received, along with the minor reversionary value of the land upon expiration of the lease.

EVALUATION OF FLORIDA ROCK INDUSTRIES, INC. LANDS

The second component of our original appraisal, which we believe experienced a change in market value since our prior appraisal, is land originally leased to Florida Rock Industries, Inc. This second component is also considered to be a potential mining property which is suitable for the production of limestone rock and construction materials. This site contains approximately 7,600± acres which have been leased to Florida Rock Industries, Inc. by USSC. In our opinion, the value of these lands has changed since our first appraisal due, primarily, to the changing conditions of the rock market, and also due to the additional entitlements in the form of permitting which have been accomplished to allow for rock production and sales. Our first appraisal assignment incorporated an extraordinary assumption relating to these lands, assuming that the probability of permitting to allow for rock excavation was reasonable.

Subsequent to the completion of the first appraisal, the Department of Environmental Protection issued a letter indicating that a permit to allow for rock excavation of those lands will be granted. An intervening lawsuit filed by the Sierra Club has attempted to block the issuance of the permit. This lawsuit appears to have been filed for the purpose of protecting these lands so that they may eventually be made part of the restoration project associated with the purchase of USSC lands.

This analysis, as well as the first appraisal, was completed based upon an extraordinary assumption stating that no project influence was to be considered or reflected in the final value estimate. Therefore, the extraordinary assumption pertaining to future permitting of these lands requires the appraiser to disregard any possible impact to market value caused by the environmental group's attempt to protect the project by filing a lawsuit to prohibit the issuance of the permits necessary to allow the mine to become operational.

EVALUATION OF FLORIDA ROCK INDUSTRIES, INC. LANDS, CONT'D.

Our conclusions that the value of this property has increased subsequent to our prior appraisal is further supported by information and guidance provided by Mr. J. Stuart Limb, FRICS, AIMA, who assisted us in evaluation of the current market value of the Florida Rock Industries, Inc. lands. Mr. Limb concluded that economic incentives currently being offered by the U.S. Government to many southeast Florida municipalities will influence the demand for rock product within the subject market area. This includes many areas along Florida's east coast that are in need of materials, such as limestone, for the construction of roads and other shovel-ready projects. This increased demand will directly translate into an increase in the price of rock product, as well as increased sales of the products. These trends, in our opinion, also positively influence the value of the underlying rock land.

These lands, unlike Stewart Mining Industries, Inc. lands, by extraordinary assumption are valued based upon their unencumbered fee. The extraordinary assumption adopted for the purpose of this option review anticipates that the current lease of the property will be declared null and void, and that, should SFWMD exercise the option to purchase these lands as a component of all remaining land owned by USSC, there will be no encumbrances or restrictions placed upon the land by that lease.

Mr. Limb has developed a professional "letter opinion of value" dated June 5, 2009. This letter, while provided in its entirety to our client, the South Florida Water Management District, will not be included in this report, as it contains "trade secrets" protected by FS815.045.

Prior to beginning a discussion of the evaluation of Florida Rock Industries, Inc. lands, it is most important for the appraiser to very specifically state that evaluation of the 7,600± acres of land utilized for the purpose of analyzing the option is based upon an additional extraordinary assumption. This extraordinary assumption, which was agreed to prior to the time of acceptance of this assignment, anticipates that the current lease to Florida Rock Industries, Inc. which is now being legally challenged, will be declared null and void and have no impact upon the property, should the South Florida Water Management District exercise its option and purchase these lands.

EVALUATION OF FLORIDA ROCK INDUSTRIES, INC. LANDS, CONT'D.

The information provided by Mr. Limb values the subject property giving consideration to the lease. The value estimates provided in Mr. Limb's professional letter of opinion will, therefore, not be utilized for the purpose of valuing the USSC lands when developing our analysis of the difference between current market value and option price. This, again, is due to the extraordinary assumption that this lease will be declared null and void.

When completing our comparison of market value to option price for the Florida Rock Industries, Inc. lands, we have relied upon a Sales Comparison Approach to value for the purpose of valuing this 7,600±-acre tract as of a current date. In our first appraisal of August 15, 2008, comparable sales verified to have potential for rock production were utilized to provide an estimate of an appropriate range of value for these lands. These comparable sales, in each case, involved properties which had not been permitted at the time of sale, but which were understood to have adequate quantity and quality of rock to make production feasible and where the purchaser had a reasonable expectation that permitting could be achieved.

Subsequent to the completion of that first appraisal, additional comparable information has been obtained. This information includes the sale and listing of properties, as well as information obtained from confidential sources regarding offers to purchase lands which are suitable for rock excavation.

These data are outlined within the Addenda section of this report, and are also reflected on the Summary of Comparable Sales chart which identifies transitional lands. This market information strongly suggests that a potential rock mining property which has a high probability of permitting, or which is already permitted, commands a price significantly above that price reflected by nearby lands which have highest and best use related only to agricultural production.

EVALUATION OF FLORIDA ROCK INDUSTRIES, INC. LANDS, CONT'D.

The most recent sale available involves land permitted for rock excavation at the time of sale and suggest a range of value from \$37,000 to \$45,000 per gross acre. This sale reflects this range based upon individual analysis and interpretation of the value of nursery stock which was included in the transaction. Comparable data which was requested to be kept confidential, involved current offers to purchase additional lands which have the capacity to be utilized for limestone rock extraction. These data also reflect pricing on a similar level, i.e. approximately \$40,000/gross acre. This information involved properties which, unlike the subject, would be purchased contingent upon obtaining all permits to allow for rock excavation. This condition was considered to be superior to that of the land leased to Florida Rock Industries, Inc. as final permitting has not been achieved. Additionally, the sizes of these properties were significantly smaller than those under lease to Florida Rock Industries, Inc. In combination, these factors suggest that these data, indicating approximately \$40,000/gross acre, would represent the upper range of value on a price per acre basis for the subject Florida Rock Industries, Inc. lands.

Our first appraisal incorporated an extraordinary assumption stating that the value estimate for these lands would anticipate a reasonable probability of permitting for the site. We have learned, during the course of this new appraisal assignment, that subsequent to the last appraisal, the DEP provided a letter stating that it is intending to issue the necessary permit to allow for limestone rock excavation. The issuance of this permit has been challenged by environmental groups wishing to preserve the land to be utilized in conjunction with the subject project. Clearly, this intervention by the environmental group represents project influence which, again by extraordinary assumption, is not utilized as a basis for continuing any component of this analysis.

Our analysis of comparable sales which have occurred subsequent to the completion of our first appraisal, as well as the consideration of information provided by Mr. Limb, strongly suggest that values for rock mining land within the subject market area have continued to increase, with the market's anticipation of the recovery of the industry and the anticipation of additional funding being made available to begin the construction of shovel-ready projects. Additionally, we note that permitting applications and entitlements for each of the subject rock mining properties, as of the effective date of this analysis, have advanced, with more permits and entitlements being certain at this time.

EVALUATION OF FLORIDA ROCK INDUSTRIES, INC. LANDS, CONT'D.

Our original appraisal, with an effective date of August 15, 2008, valued the rock mining lands at a price of \$20,000/gross acre. Both the Stewart Mining Industries, Inc. property and the Florida Rock Industries, Inc. property were valued based upon an unencumbered fee, without consideration of leases or other encumbrances. When performing our analysis of the option, we have continued to assume that the Florida Rock Industries, Inc. property would not be encumbered by a lease and, therefore, it has not been necessary to consider the leased fee value of these lands. The unencumbered fee value of the land has been relied upon for the purpose of the option analysis.

The current market value estimate for the Florida Rock Industries, Inc. lands has been developed by relying upon comparable sales originally researched and reflected within our prior appraisal of August 15, 2008. These sales, in our opinion, continue to provide significant indications of the value of land which has a reasonable probability of receiving permits to allow for limestone excavation. The reader is, once again, referred to that report for a full description of the reconciliation and reasoning provided to establish our estimate of value. In that appraisal, the value estimate for the Florida Rock Industries, Inc. lands was based upon a price of \$20,000/gross acre. Six comparable land sales were researched, analyzed and reconciled for the purpose of developing this value estimate. The range of values indicated from those comparable sales was from \$5,000/acre to approximately \$29,000/acre.

The lower range of value at \$5,000/acre represented a purchase in September 2003 by a speculator who acquired land based upon its agricultural value. This same land recently re-sold and represents an additional example of a more current transaction relied upon for the purpose of valuing rock lands, as of May 1, 2009. The current sales price for this property, after being fully permitted to allow for rock excavation, is approximately \$47,500/acre. This price included an inventory of landscape trees, the value of which was questionable due to the current status of the market and lack of demand for such materials.

VALUE RECONCILIATION-FLORIDA ROCK INDUSTRIES, INC. PROPERTY

Florida Rock Industries, Inc. has, subsequent to the completion of our first appraisal, been informed by DEP of its intention to issue a permit to allow for rock mining. We believe this to be a favorable sign which positively influences the value of the land, as it reduces the risk and uncertainty associated with the eventual permitting of the property. Our original appraisal, as well as this current appraisal, are based upon the extraordinary assumption that a reasonable probability exists that permitting can be granted, and this positive indication of permitting coming from the DEP further advances the reasonableness of this assumption.

Additionally and of significant importance, is the information obtained from Mr. Limb, which identifies the changing characteristics of the rock industry within south Florida. These factors, in combination, suggest that the current market value of this property, for the purpose of evaluating the option, exceeds that reflected with our original appraisal of August 15, 2008. Our analysis suggests that the upper range of value would be appropriate only if all permits had been granted. Those comparable sales which were purchased with the reasonable expectation of permitting, in our opinion, represent the most significant indicators of value for these lands as of the effective date of this appraisal. Based upon our analysis, we have estimated the value of these lands at \$28,000/gross acre for the purpose of completing this option analysis. The effective date of this value estimate is May 1, 2009.

SALES OF LANDS FOR ROCK MINING

SALE #	Sale Date	Sale Price	Size Ac	Price/Ac	County	Grantor	Grantee
LEE-1	9/14/2005	\$33,200,000	1,365.50	\$24,313	LEE CO	RESOURCE CONS PROP	RESOURCE CONSERVATION HLDG
PB-69	9/3/2003	\$1,906,660	376.00	\$5,071	PALM BEACH	COUSE	FIVE SMOOTH STONES
G-2	5-22-2006	\$10,560,000	526.34	\$20,063	GLADES	BRONSON	ALICO INC
M-56	4/19/2005	\$13,013,700	1,032.00	\$12,610	MARTIN	TRUCANE SUGAR	LAKE POINT,LLC
M-56A	1/3/2008	\$30,000,100	1,033.00	\$29,042	MARTIN	LAKE POINT LLC	LAKE POINT PHASE 1 LLC
PB-255	11/15/2000	\$15,098,550	1,006.57	\$15,000	PALM BEACH	NEW HOPE SUGAR+	PALM BEACH AGGREGATES
PB-265	3/17/2009	\$5,700,000	121.00	\$47,107	PALM BEACH	FIVE SMOOTH STONES	MAYACCA MINING LLC

OPTION ANALYSIS – AGRICULTURAL AND OTHER LANDS

All other components of the land which are included within the option agreement have been valued for the purpose of this analysis based upon the original value conclusions contained within our first appraisal report. Those value estimates have been adjusted from the value indications contained within that first report to reflect the average appraised value for the lands which remain after the SFWMD purchases some of the most desirable land in the first take down, consisting of approximately 72,800± acres of land. This adjustment is considered necessary for the purpose of the option evaluation, recognizing that the average price per acre contained within the original appraisal report will change if the most desirable land originally appraised has been previously purchased prior to the time the option is exercised.

Providing an example of the mathematical process which has been undertaken to adjust the various components of land to their current market value estimate, we offer the following examples.

Considering, first, lands located proximate to Pahokee and referring to our value estimates contained within our appraisal of August 15, 2008, we note that this area has been previously valued at a price of \$7,500/gross acre. This value estimate was applied to the total land contained within the Pahokee area, consisting of some 56,985± acres.

Components of the current proposed purchase, which come from these same Pahokee lands, include 8,703± acres of land considered to be some of the most desirable and productive land within this region. The previous appraisal of these lands, as a component of the 40,065.96± acres of land, valued these lands at \$9,000/gross acre.

Adjustment of the remaining lands has been accomplished by multiplying the total size of the lands currently proposed to be purchased, that is 8,702.92± acres, times the current market value of those lands at \$9,000/acre, and then deducting the resulting total from the original total value estimate for all lands located in the Pahokee region.

OPTION ANALYSIS – AGRICULTURAL AND OTHER LANDS, CONT'D.

Value from appraisal of August 15, 2008-Pahokee:
\$7,500/Acre x 56,985.08± Acres = \$427,388,100.

Less value of proposed current purchase
from Pahokee: 8,702.92± Acres x \$9,000/Acre = \$78,326,280.

Value of remaining Pahokee lands under option = \$349,061,820.

Divided by remaining acres-lands under
option-Pahokee: ÷ 48,282.16

Remaining land current value indication = (Rounded): \$7,230/Acre

The resulting value estimate, after adjustment for lands remaining in the Pahokee area which are included within the option, indicates a value of \$7,229.623/acre. This \$7,229.623/acre value estimate may then be compared to the option price at \$7,400/acre to indicate that, should the option be exercised, a disadvantage in the amount of \$8,226,164 will result.

Option Price:	\$7,400.000/Acre
Value:	<u>\$7,229.623/Acre</u>
Indicated Disadvantage:	\$170.3769/Acre

\$170.3769/Acre x 48,282.16± Acres (remaining lands
to be purchased under option): **ROUNDED: (\$8,226,000.)**

Lands lying easterly of Blumberg Road originally valued in our August 2008 appraisal at \$5,500/acre encompassed a total area of 42,960± acres. Approximately 25,246.22± acres of the same lands are now proposed to be purchased as a component of this 72,800±-acre first takedown. When valuing this component, so that the value may be compared to the option price, the 25,246.22± acres are considered to be typical for the larger component originally appraised. Therefore, the value of these 25,246.22± acres was estimated to be equal to that value previously reflected in our appraisal at \$5,500/acre.

OPTION ANALYSIS – AGRICULTURAL AND OTHER LANDS, CONT'D.

This, therefore, suggests that the remaining lands which can be purchased under the option within the component of lands lying east of Blumberg Road would continue to reflect a value of \$5,500/acre. Purchasing lands having a value of \$5,500/gross acre for an option price of \$7,400/acre, when applied to the approximately 17,714.57± acres which are available in the option, indicates a negative contribution to the option disadvantage in the amount of \$33,657,683.

Remaining lands to be purchased under option:
 $\$1,900/\text{Acre} \times 17,714.57\pm \text{ Acres} = (\$33,657,683.)$

The final example offered relates to lands leased to Florida Rock Industries, Inc. These lands have been valued at a current date at a price of \$28,000/acre, employing a Sales Comparison Approach to value. No component of the Florida Rock Industries, Inc. lands is proposed to be purchased as part of the first take down of the 72,800± acres now being proposed to be purchased from USSC. Therefore, the option comparison simply identifies the current market value in contrast or comparison to the option purchase price. Purchasing land having a current market value of \$28,000/acre for a total gross price of \$7,400/acre produces a net option benefit in the amount of \$155,427,000.

$$\$20,600/\text{Acre} \times 7,545\pm \text{ Acres} = \$155,427,000.$$

These three examples represent three of the six components which have been analyzed in this fashion. Each of the component parts has been individually analyzed when calculating the price differential between current appraised value and the option price.

Shown on the following page is the Comparison of Proposed Option Purchase Price to Appraised Value chart which illustrates the mathematical calculations for each of the components. In some instances, rounding may cause slight discrepancies.

OPTION ANALYSIS – AGRICULTURAL AND OTHER LANDS, CONT'D.

Based upon the extraordinary assumptions and conditions previously outlined within this report, we have concluded that an exercise of the option, as of May 1, 2009, would have the potential to create a benefit in the amount of approximately \$69,000,000, as our analysis suggests that the option price at \$7,400/acre would allow the South Florida Water Management District to acquire, in total, lands which would have a market value exceeding the cost of purchase.

This exercise and analysis of the option has been provided specifically at the request of our client and based upon assumptions and conditions requested to be considered for the purpose of this analysis. We view the results of these analyses to be a starting point in the evaluation of the option, as many other factors obviously could have a significant impact upon the results of this analysis. It is important to, once again, reflect upon the assumptions of this analysis, the most important of which relates to the assumption that the Florida Rock Industries, Inc. lease will be declared null and void. This extraordinary assumption, if found to be false, would significantly influence the total indicated difference between current market value and option purchase price. Additional factors which would also impact these calculations include the timing of the exercise of the option and rental payments made by USSC to continue agricultural operations during the option period, as well as a host of other factors which ultimately could influence these calculations.

COMPARISON OF PROPOSED OPTION PURCHASE PRICE TO APPRAISED VALUE

USSC APPRAISAL LAND COMPONENT SUBJECT PROPERTY IDENTIFICATION	LAND SIZE PROPOSED 2009 PURCHASE	PRICE PER ACRE	CURRENT VALUE ESTIMATE AS OF 5/1/2009	TOTAL ACRES INCLUDED IN 8-08 APPRAISAL	TOTAL VALUE 8-08 APPRAISAL	REMAINING LANDS AVAILABLE UNDER OPTION	VALUE OF REMAINING LANDS UNDER OPTION	TOTAL PRICE TO PURCHASE BY OPTION @ \$7,400 PER AC	VALUE ESTIMATE REMAINING LAND PER ACRE	OPTION ADVANTAGE/LOSS EACH COMPONENT
Transitional Lands	2,655.8000	\$ 15,814.000	\$41,998,821	6,273.5900	\$95,910,000	3,617.7900	\$ 53,911,179	\$ 26,771,646	\$ 14,901.69	\$ 27,139,533
USSC Lands East of Blumberg Rd	25,246.2200	\$ 5,500.000	\$138,854,210	42,960.7900	\$236,284,345	17,714.5700	\$ 97,430,135	\$ 131,087,818	\$ 5,500.00	\$ (33,657,683)
Moore Haven S - 4	3,461.0200	\$ 8,500.000	\$29,418,670	30,695.0000	\$153,500,000	27,233.9800	\$ 124,081,330	\$ 201,531,452	\$ 4,556.12	\$ (77,450,122)
USSC Lands Pahokee	8,702.9200	\$ 9,000.000	\$78,326,280	56,985.0800	\$427,388,100	48,282.1600	\$ 349,061,820	\$ 357,287,984	\$ 7,229.62	\$ (8,226,164)
Stewart Mining Industry Lands	5,419.93	\$ 8,500	\$46,069,405	5,419.93	\$108,398,600	5,419.93	\$ 46,069,405	\$ 40,107,482	\$ 8,500	\$ 5,961,923
Florida Rock Mining Lands	7,545.00	\$ 28,000	\$211,260,000	7,545.00	\$150,900,000	7,545.00	211,260,000	\$ 55,833,000	\$ 28,000	\$ 155,427,000
										\$ 69,194,487

CERTIFICATION

I certify that, to the best of my knowledge and belief. . .

- the statements of fact contained in this report are true and correct.
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- my engagement in this assignment was not contingent upon developing or reporting pre-determined results.
- my compensation for completing this assignment is not contingent on the development or reporting of a pre-determined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- my analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice and the Code of Professional Ethics of the Appraisal Institute*.
- I have made a personal inspection of the property that is the subject of this report.
- Mr. J. Stuart Limb, FRICS, AIMA, of CMC, Inc., and John D. Osgood, State-Certified General Appraiser RZ1289, provided significant real property appraisal assistance to the person signing this report.
- I certify that, to the best of my knowledge and belief, the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of professional Appraisal Practice of the Appraisal Institute.
- I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- as of the date of this report, I have completed the requirements of the continuing education program of the Appraisal Institute.



E. LARRY SEWELL, MAI
State-Certified General Real Estate Appraiser RZ501

May 3, 2009
Date

ADDENDA

RECENT LAND SALES

COMPARABLE VACANT LAND SALE NO. PB-63A (23013/0380)

LOCATION: The site is located approximately 4½ miles east of Brown's Farm Road on the western boundary of the Loxahatchee National Wildlife Refuge, approximately 6 miles south of S.R. 80 and 15 miles southeast of South Bay.

BRIEF LEGAL DESCRIPTION: Lengthy legal description of a parcel of land located in Sections 4 and 5, Twp. 45S, Rge. 39E, Palm Beach County, FL

GRANTOR: B & B Land Holdings, LLC

GRANTEE: Trucane Sugar Corporation

LAND SIZE: 287.18± Acres

PROPERTY TYPE: Improved farmland

O.R. BOOK/PAGE: 23013/0380

ZONING/LAND USE: "AP", Agricultural Production/Agricultural Production (Palm Beach County).

PROPERTY DATA: Okeechobee muck, Terra Ceia muck, and freshwater marshes and ponds.

SALES PRICE: \$2,297,440.

PRICE/UNIT: \$8,000/Acre

TERMS: Cash to the seller.

VERIFICATION: By John D. Osgood, Associate Appraiser, with Mr. Ernesto Vilar (Representative of Grantee) on April 23, 2009.

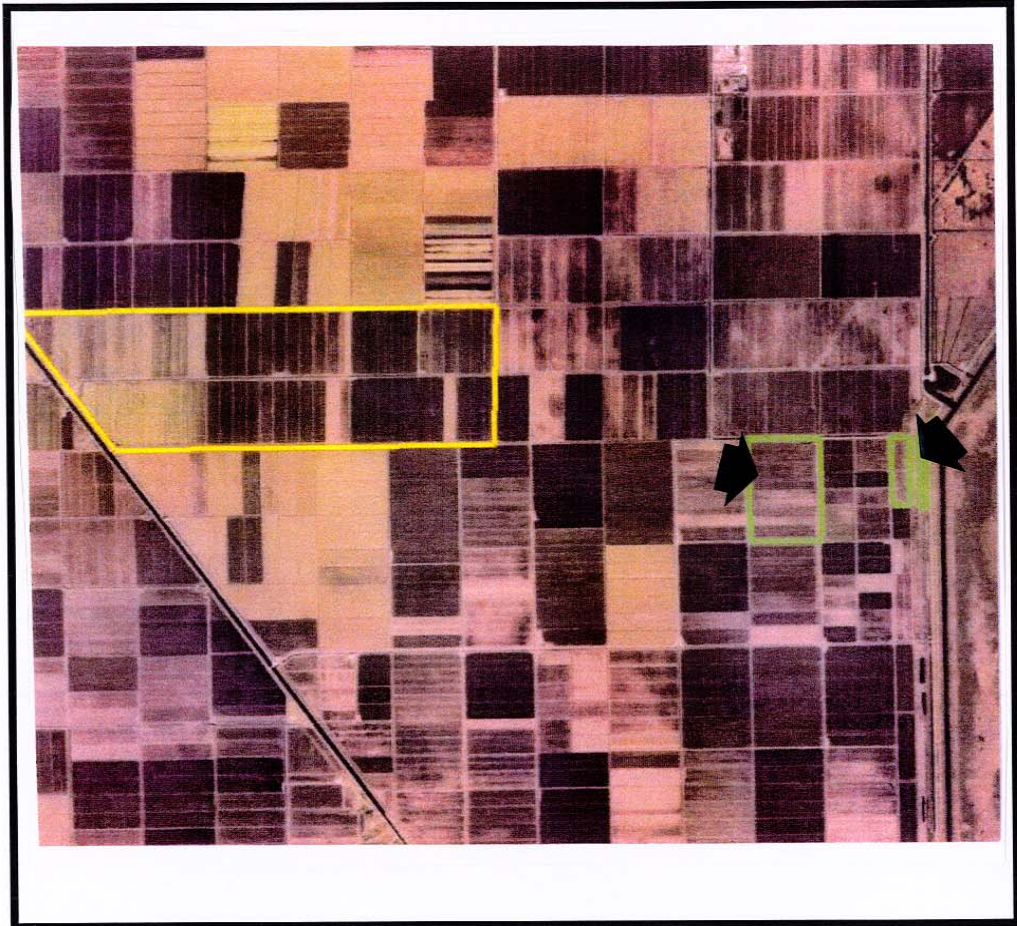
CONDITIONS OF SALE: Arm's length transaction

DATE (OF TRANSACTION): December 29, 2008

PRESENT USE: Sugarcane

HIGHEST AND BEST USE: Agricultural

COMPARABLE VACANT LAND SALE NO. PB 63A (23013/0380)



COMPARABLE LAND SALE NO. PB-266 (23017/0985)

LOCATION: The site is located on the eastern side of Browns Farm Road and the Hillsborough Canal, lying approximately 5± miles southerly of CR 880.

BRIEF LEGAL DESCRIPTION: A lengthy legal description of a parcel of land located in Sections 11, 12, 13 and 14, Twp. 45S, Rge. 38E, Palm Beach County, FL

GRANTOR: Paul R. Orsenigo

GRANTEE: Trucane Sugar Corporation

LAND SIZE: 322.68± Acres

PROPERTY TYPE: Improved farmland.

O.R. BOOK/PAGE: 23017/0985

ZONING/LAND USE: "AP", Agricultural Production/Agricultural Production

PROPERTY DATA: The site has historically been used for the growing of sugarcane.

SALES PRICE: \$2,649,861.

PRICE/UNIT: \$8,212/Acre

TERMS: Cash to the seller

VERIFICATION: By John D. Osgood, Associate Appraiser, with Mr. Ernesto Vilar (Representative of Grantee) on April 23, 2009.

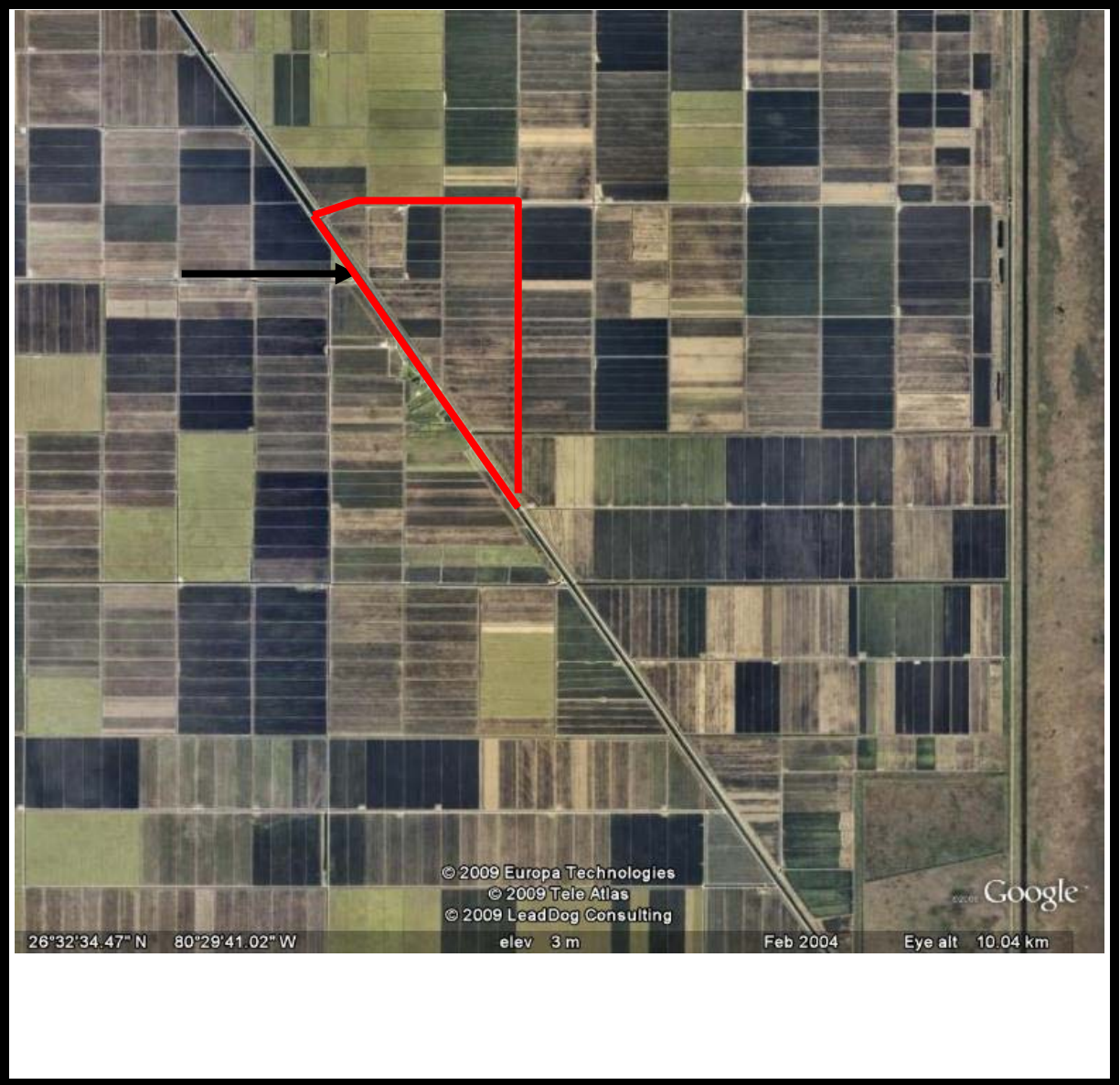
CONDITIONS OF SALE: Arm's length transaction

DATE (OF TRANSACTION): December 18, 2008

PRESENT USE: Sugarcane.

HIGHEST AND BEST USE: Agricultural.

COMPARABLE LAND SALE NO. PB-266 (23017/0985)



COMPARABLE LAND SALE NO. PB-267 (22989/0570)

LOCATION: The site is located along the northerly right-of-way of C.R. 827, lying approximately one mile easterly of US Highway 27.

BRIEF LEGAL DESCRIPTION: A lengthy legal description of a parcel of land located in Sections 19 and 30, Twp. 44S, Rge. 37E, Palm Beach County, FL

GRANTOR: William Kennedy Farms, Inc.

GRANTEE: Trucane Sugar Corporation

LAND SIZE: 362.93± Acres

PROPERTY TYPE: Improved farmland

O.R. BOOK/PAGE: 22989/0570

ZONING/LAND USE: "AP", Agricultural Production/Agricultural Production

PROPERTY DATA: The site has historically been used for the production of sugarcane.

SALES PRICE: \$3,629,300.

PRICE/UNIT: \$10,000/Acre

TERMS: Cash to the seller

VERIFICATION: By John D. Osgood, Associate Appraiser, with Mr. Ernesto Vilar (Representative of Grantee), on April 23, 2009.

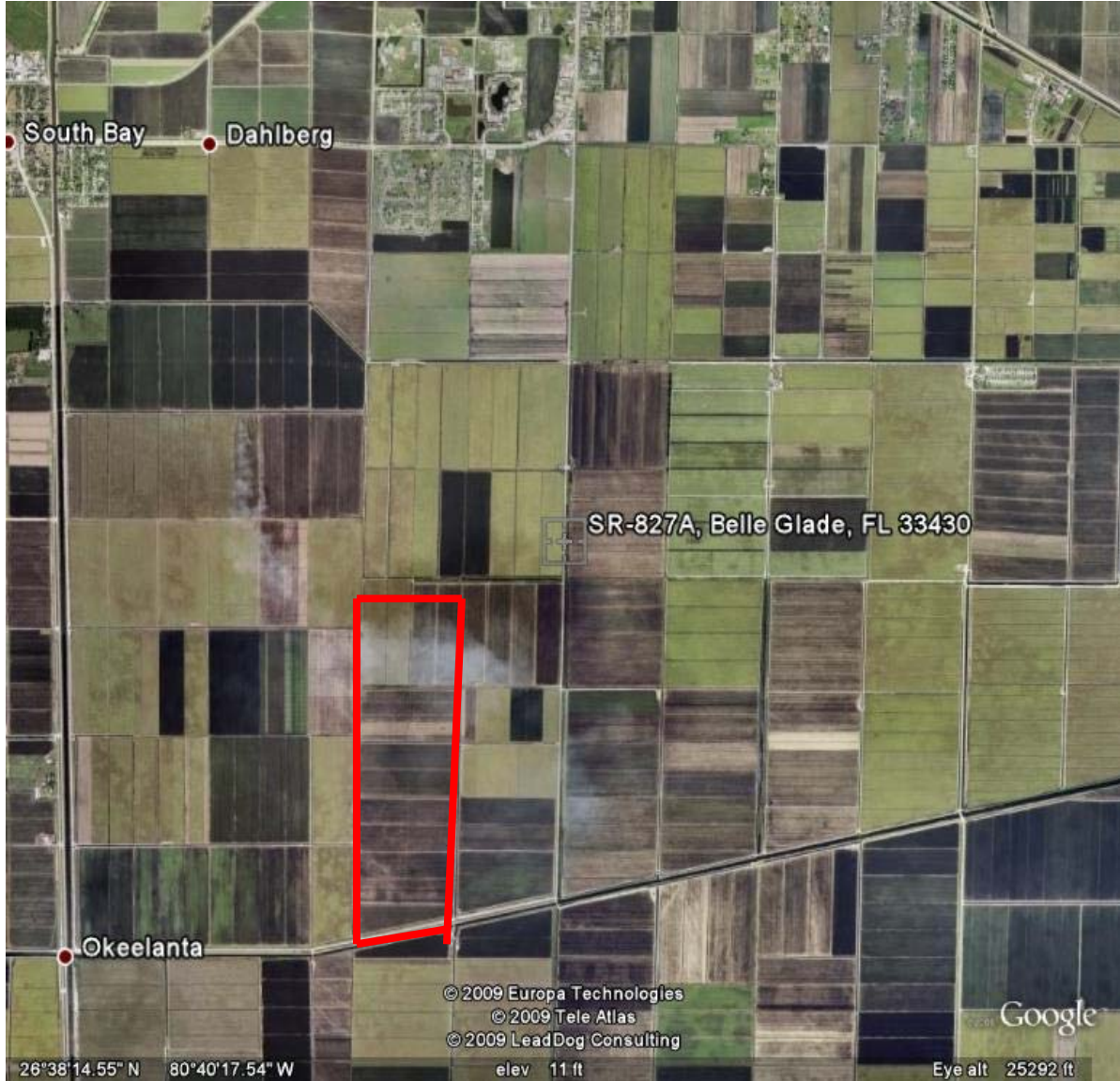
CONDITIONS OF SALE: Arm's length transaction

DATE (OF TRANSACTION): December 3, 2008

PRESENT USE: Sugarcane

HIGHEST AND BEST USE: Agricultural

COMPARABLE LAND SALE NO. PB-267 (22989/0570)



COMPARABLE LAND SALE NO. PB-268 (22982/1817)

LOCATION: The site is located along the northerly right-of-way of C.R. 827, lying just easterly of U.S. Highway 27.

BRIEF LEGAL DESCRIPTION: A lengthy legal description of a parcel of land located in Section 30, Twp. 44S, Rge. 37E, Palm Beach County, FL

GRANTOR: Irma Pereyo, et al

GRANTEE: Earnest H. & Hazel C. Rawls

LAND SIZE: 158± Acres

PROPERTY TYPE: Improved farmland

O.R. BOOK/PAGE: 22982/1817

ZONING/LAND USE: "AP", Agricultural Production/Agricultural Production

PROPERTY DATA: The site has historically been utilized for the production of sugarcane. The site was leased for \$250/acre at the time of sale.

SALES PRICE: \$1,219,128.

PRICE/UNIT: \$7,716/Acre

TERMS: Cash to the seller

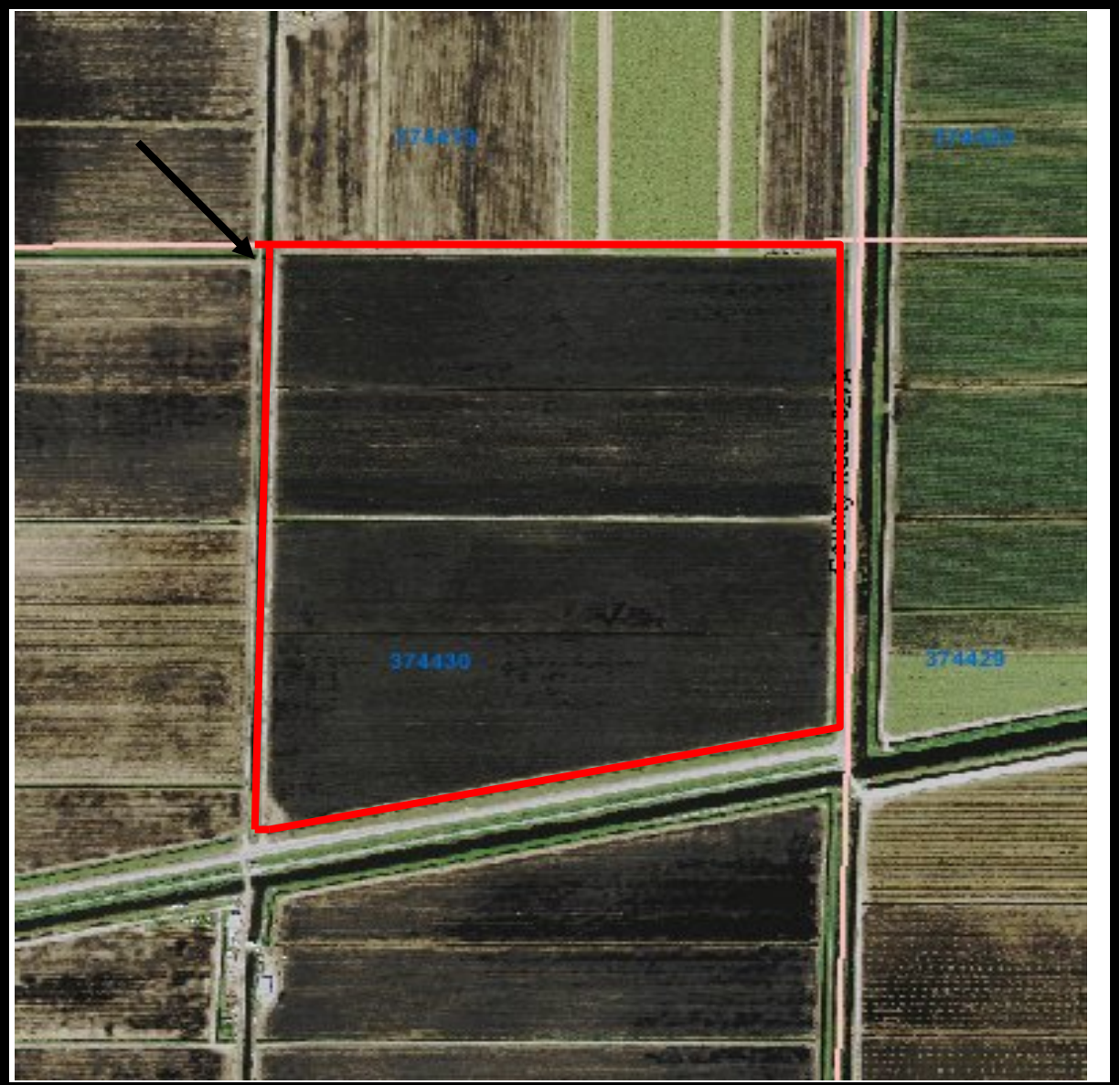
VERIFICATION: By John D. Osgood, Associate Appraiser, with Mr. Earnest Rawls on April 27, 2009.

CONDITIONS OF SALE: Arm's length transaction

DATE (OF TRANSACTION): November 20, 2008

PRESENT USE: Sugarcane

HIGHEST AND BEST USE: Agricultural



COMPARABLE TRANSITIONAL LAND SALE NO. H-60
(787/1225)
LISTING (OFFER)

LOCATION: The site is located along C.R. 835, lying approximately 2± miles westerly of Blumberg Road.

BRIEF LEGAL DESCRIPTION: A lengthy legal description of multiple sections of land located within Twp. 44S, Rge. 34E, Hendry County, FL

GRANTOR: Jackman Cane & Cattle Company

GRANTEE: N/A

LAND SIZE: 5,059± Acres

PROPERTY TYPE: Improved farmland, improved pasture & retention ponds

O.R. BOOK/PAGE: N/A

ZONING/LAND USE: "A-2", Agricultural/Agricultural (Hendry County)

PROPERTY DATA: 5½ sections of this ranch are currently being leased by USSC for growing sugarcane. 2½ sections are fenced for cattle, and approximately 400± acres are retention ponds. The L-1 Canal lies along the north and east sides of the land and the L-2 Canal runs along the south side of the parcel.

SALES PRICE: \$150,000,000 (current list price)
\$25,000,000 (rejected offer)

PRICE/UNIT: \$30,000/Acre (list price)
\$4,941/Acre (rejected offer per acre)

TERMS: Expected cash to the seller.

VERIFICATION: By John D. Osgood, Associate Appraiser, with Ms. Luan Walker (real estate broker & representative of grantor).

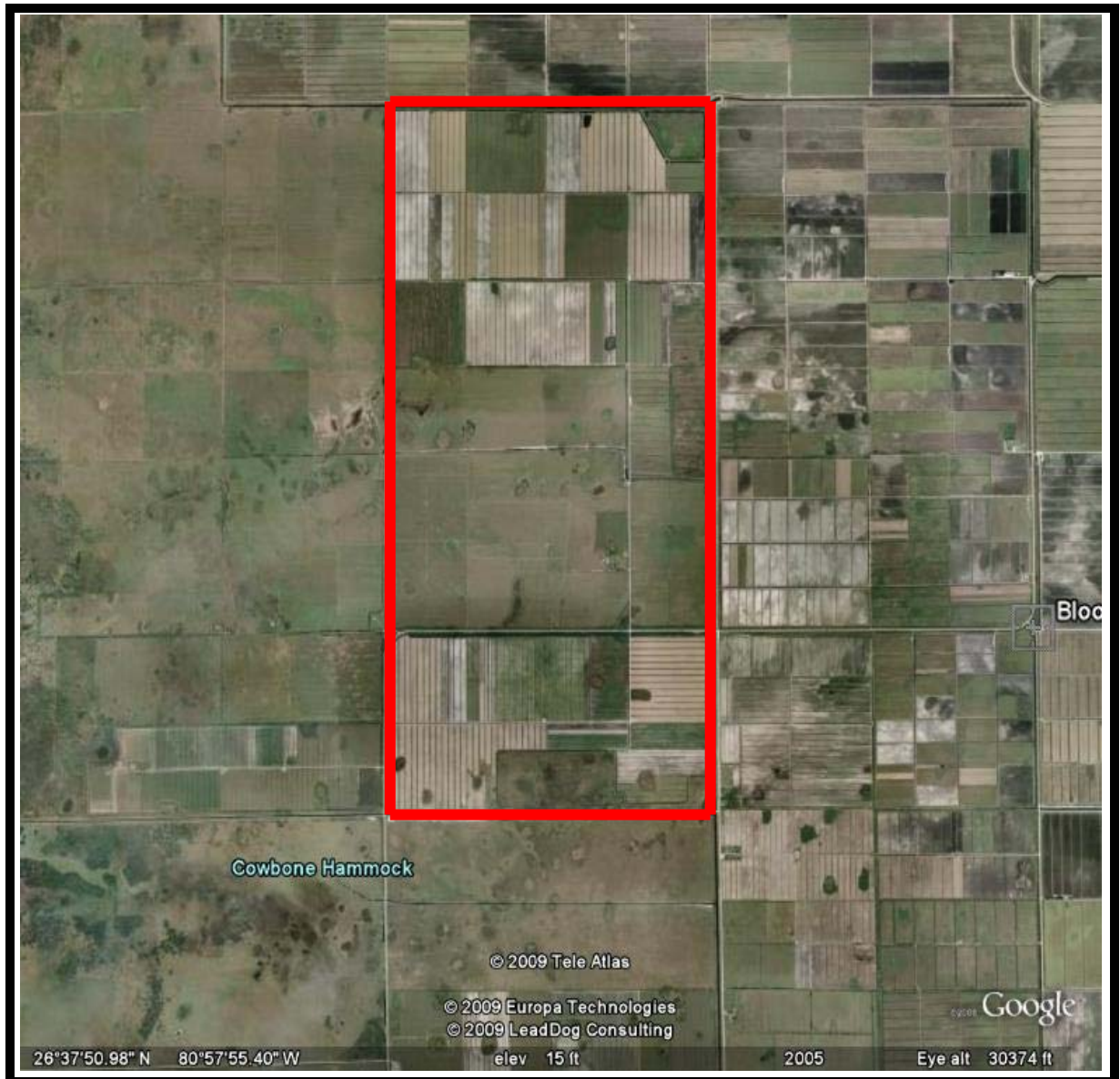
CONDITIONS OF SALE: N/A

DATE (OF TRANSACTION): Current listing (May 2009)

PRESENT USE: Sugarcane and cattle ranch

HIGHEST AND BEST USE: Agricultural

COMPARABLE TRANSITIONAL LAND SALE NO. H-60 (787/1225)
LISTING (OFFER)



COMPARABLE LAND SALE NO. PB-265 (23142/0190)

LOCATION: The site is located one mile easterly of U.S. 441 and approximately one-half mile southerly of the Palm Beach-Martin County line.

BRIEF LEGAL DESCRIPTION: A lengthy description of a parcel of land located in Section 36, Twp. 40S, Rge. 37E, Palm Beach County, FL

GRANTOR: Five Smooth Stones, Inc.

GRANTEE: Mayacca Mining, LLC

LAND SIZE: 121± Acres

PROPERTY TYPE: Improved farmland/tree farm.

O.R. BOOK/PAGE: ORB 23142/0190

ZONING/LAND USE: "AP", Agricultural Production/Agricultural Production

PROPERTY DATA: The site was granted a Class "A" conditional use to allow a Type IIIA excavation on the parcel.

SALES PRICE: \$5,700,000.

PRICE/UNIT: \$47,107/Acre

TERMS: Cash to the seller

VERIFICATION: By John D. Osgood with confidential sources.

CONDITIONS OF SALE: Arm's length transaction.

DATE (OF TRANSACTION): March 17, 2009

PRESENT USE: Tree farm.

HIGHEST AND BEST USE: Aggregate extraction/limerock mining.

COMMENTS: The sale included the existing tree inventory associated with a tree farm operation.



COMPARABLE TRANSITIONAL LAND SALE NO. PB-269
(23142/0337)

LOCATION: The site is located easterly of U.S. Highway 441 and just southerly of the Palm Beach-Martin County line.

BRIEF LEGAL DESCRIPTION: A lengthy legal description of a parcel of land located in Section 36, Twp. 40S, Rge. 37E, Palm Beach County, FL

GRANTOR: Andy McGahee, LLC

GRANTEE: Mayacca Mining, LLC

LAND SIZE: 27.71± Acres

PROPERTY TYPE: Improved farmland.

O.R. BOOK/PAGE: 23142/0337

ZONING/LAND USE: "AP", Agricultural Production/Agricultural Production

PROPERTY DATA: The site has historically been used in agricultural production.

SALES PRICE: \$450,000.

PRICE/UNIT: \$16,239/Acre

TERMS: Cash to the seller

VERIFICATION: By John D. Osgood, Associate Appraiser, with confidential sources.

CONDITIONS OF SALE: Arm's length transaction

DATE (OF TRANSACTION): March 17, 2009

PRESENT USE: Agricultural

HIGHEST AND BEST USE: Aggregate extraction/limerock mining.



COMPARABLE TRANSITIONAL LAND SALE NO. H-59
(787/1225)

LOCATION: The site is located at the southeast corner of El Paso Avenue and Duff Avenue.

BRIEF LEGAL DESCRIPTION: Lots 5-12, inclusive, Block 413 of the General Plan of Clewiston, as recorded in PB 2, Pages 71-78, lying in Section 1, Twp. 43S, Rge. 34E, Hendry County, FL

GRANTOR: James and Paula Pittman

GRANTEE: ABC Transfer, Inc.

LAND SIZE: 2.2± Acres

PROPERTY TYPE: Vacant land

O.R. BOOK/PAGE: 787/1225

ZONING/LAND USE: "I", Industrial/Industrial (City of Clewiston)

PROPERTY DATA: The site was purchased by an adjacent landowner for future expansion.

SALES PRICE: \$335,000.

PRICE/UNIT: \$3.50/SF; \$152,273/Acre

TERMS: Cash to the seller.

VERIFICATION: By John D. Osgood, Associate Appraiser, with Mr. Lou Ann Walker (Broker).

CONDITIONS OF SALE: Arm's length transaction.

DATE (OF TRANSACTION): May 21, 2008

PRESENT USE: Vacant land

HIGHEST AND BEST USE: Industrial development.

COMPARABLE TRANSITIONAL LAND SALE NO. PB-270
(22972/1508)

LOCATION: The site is located along the westerly right-of-way of U.S. Highway 27N, lying just southerly of Rook Road.

BRIEF LEGAL DESCRIPTION: A lengthy legal description of a parcel of land lying within State Lot 4, Section 11, Twp. 44S, Rge. 36E, City of South Bay, Palm Beach County, FL

GRANTOR: Laura Rogers, et al

GRANTEE: Terrence D. and Lynda Moss

LAND SIZE: 4.01± Acres

PROPERTY TYPE: Farmland

O.R. BOOK/PAGE: 22972/1508

ZONING/LAND USE: "B-1", Commercial/Commercial

PROPERTY DATA: The site was purchased by an adjacent landowner for expansion of business and parking.

SALES PRICE: \$158,520.

PRICE/UNIT: \$39,531/Acre

TERMS: Cash to the seller

VERIFICATION: By John D. Osgood, Associate Appraiser, with Terrence D. Moss (Grantee).

CONDITIONS OF SALE: Arm's length transaction

DATE (OF TRANSACTION): November 20, 2008

PRESENT USE: Equipment and truck storage

HIGHEST AND BEST USE: Commercial and/or light industrial.

COMPARABLE TRANSITIONAL LAND SALE NO. PB-270 (22972/1508)



COMPARABLE TRANSITIONAL LAND SALE NO. PB-271
(23085/1663)

LOCATION: The site is located along the northerly right-of-way of U.S. Highway 27N, lying just northerly of Rook Road.

BRIEF LEGAL DESCRIPTION: A lengthy legal description of a parcel of land located in Section 10, Twp. 44S, Rge. 36E, Palm Beach County, FL.

GRANTOR: City of South Bay

GRANTEE: South Bay Commercial 7, LLC

LAND SIZE: 6.898± Acres

PROPERTY TYPE: Muck land

O.R. BOOK/PAGE: 23085/1663

ZONING/LAND USE: "C", Commercial (South Bay)/Commercial

PROPERTY DATA: The buyer assumed the cost of extending water and sewer services to the property.

SALES PRICE: \$117,560.

PRICE/UNIT: \$17,042/Acre

TERMS: Cash to the seller

VERIFICATION: By John D. Osgood, Associate Appraiser, with Virginia Walker (City Clerk of South Bay).

CONDITIONS OF SALE: Arm's length transaction

DATE (OF TRANSACTION): February 13, 2009

PRESENT USE: Vacant land

HIGHEST AND BEST USE: Commercial

COMPARABLE TRANSITIONAL LAND SALE NO. PB-271 (23085/1663)



MEMORANDUM OF LEASE
FLORIDA ROCK INDUSTRIES, INC.
STEWART MINING INDUSTRIES, INC.



**CASEY CIKLIN/ aza
WILL CALL BOX #69**

CFN 20080270877
CR BK 22765 PG 0527
RECORDED 07/18/2008 16:05:58
Palm Beach County, Florida
Sharon R. Bock, CLERK & COMPTROLLER
Pgs 0527 - 532; (6pgs)

This Instrument Prepared By and Return To:
Christina Joubran Zarou, Esq.
McGuireWoods LLP
50 N. LaSalle Street, Suite 3300
Jacksonville, Florida 32202

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE is dated as of October 1, 2006 by and between **UNITED STATES SUGAR CORPORATION**, a Delaware corporation, **SBG FARMS, INC.**, a Florida corporation and wholly-owned subsidiary of United States Sugar Corporation (together, "U.S. Sugar"), and **FLORIDA ROCK INDUSTRIES, INC.**, a Florida corporation ("FRI").

For and in consideration of the mutual covenants, agreements, and conditions set forth in that certain Mining and Excavation Lease Agreement between United States Sugar Corporation, SBG Farms, Inc., (together, "U.S. Sugar"), and Florida Rock Industries, Inc. ("FRI"), dated as of October 1, 2006 (the "Lease"), U.S. Sugar grants to FRI, its successors and permitted assigns, the exclusive right to conduct mining and excavation operations and related activities in accordance with all terms and conditions of the Lease, which are incorporated herein by this reference, on the Leased Premises located in Palm Beach County, Florida, as further described on Exhibit A attached hereto (the "Leased Premises").

1. **Date of Term Commencement:** October 1, 2006.
2. **Term:** Forty (40) years from the date all Approvals (as hereinafter defined) are obtained, unless terminated sooner as provided in the Lease. As further provided in the Lease, various governmental permits and approvals (collectively, "Approvals") must be obtained before FRI can commence construction of its facilities and equipment. FRI shall have until December 31, 2008 (the "Permitting Period") to procure the Approvals, subject to further extension not to exceed a period of eighteen (18) additional months.
3. **Use:** FRI has the right to conduct mining operations on the Leased Premises. Except as otherwise provided in the Lease, materials extracted from the Leased Premises shall be transported via rail by SouthCentral Florida Express, Inc., a Florida corporation, a wholly-owned subsidiary of U.S. Sugar.
4. **Memorandum:** This Memorandum of Lease is executed and delivered by U.S. Sugar and FRI solely for the purpose of recording, in the Public Records of Palm Beach County, Florida, notice of the existence of the Lease, and consequently, nothing contained in this Memorandum shall be construed to change or alter the terms, conditions, or provisions of the Lease and references shall be made to the Lease itself of its terms, conditions, and provisions and the intent of U.S. Sugar and FRI regarding the Leased Premises and the terms relating thereto. In the event of any inconsistency between the terms of this Memorandum of Lease and the terms of the Lease, the terms of the Lease shall control.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Lease as of the dates set forth in their respective acknowledgments.

Signed, sealed and delivered in the presence of:

Print: Walter H. Hurley

Print: Dore Mackles

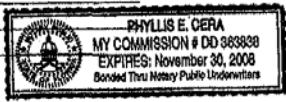
United States Sugar Corporation, a Delaware corporation

By: [Signature]
Name: EDWARD ALMEIDA, ESQ.
Title: VICE PRESIDENT, LEGAL AFFAIRS

STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this 10th day of July, 2008 by EDWARD ALMEIDA as V.P. LEGAL AFFAIRS of United States Sugar Corporation, a Delaware corporation, on behalf of the corporation. He is () personally known to me or (x) has produced a current FLORIDA driver's license as identification.

Phyllis E. Cera
Notary Public, State of Florida
Notary Print Name: _____
Commission No. _____
My Commission expires: _____
(Affix Notary Stamp or Seal)



Signatures Continued on Following Pages

Signed, sealed and delivered
in the presence of:

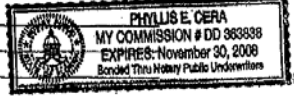
[Signature]
Print: D. DeVito-Arley
[Signature]
Print: Daniel Mackler

SBG Farms, Inc., a Florida corporation
By: *[Signature]*
Name: MALCOLM S. WADE, JR.
Title: VICE PRESIDENT

STATE OF FLORIDA
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this 10th day of July, 2008 by MALCOLM S. WADE JR as V.P. of SBG Farms, Inc., a Florida corporation, on behalf of the corporation. He is () personally known to me or (x) has produced a current _____ driver's license as identification.

[Signature]
Notary Public, State of Florida
Notary Print Name: _____
Commission No. _____
My Commission expires: _____
(Affix Notary Stamp or Seal)



Signatures Continued on Following Page

**Exhibit A
Description of the Premises**

[Attached]

This is not a certified copy

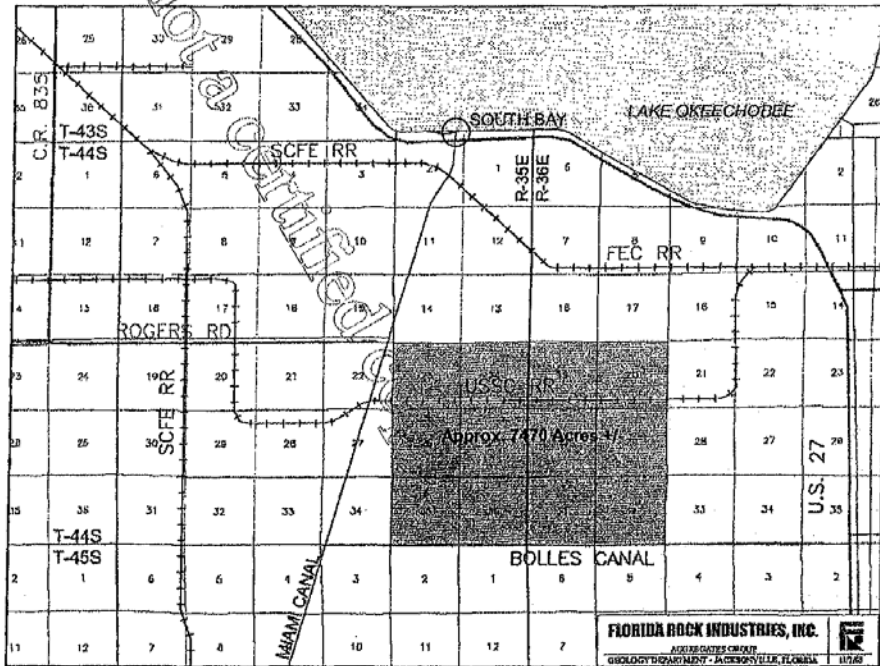
V6363218.1

EXHIBIT "A" TO THE MINING AND EXCAVATION LEASE AGREEMENT

DESCRIPTION OF THE "LEASED PREMISES"

All real property owned by United States Sugar Corporation or SBG Farms, Inc. in the following twelve (12) sections:

- a. Township 44 South, Range 35 East, Sections 23, 24, 25, 26, 35, and 36; and
- b. Township 44 South, Range 36 East, Sections 19, 20, 29, 30, 31, and 32.



Page 25 of 25 a-b *JMB*
MSW



CFN 20080250287
 OR BK 22736 PG 0590
 RECORDED 07/02/2008 14:58:32
 Palm Beach County, Florida
 Sharon R. Bock, CLERK & COMPTROLLER
 Pgs 0590 - 592; (3pgs)

This Document is Prepared by
 and after Recording Return to:
 GARY BRANDENBURG, BSQ
 660 U.S. HIGHWAY ONE, THIRD FLOOR
 NORTH PALM BEACH, FL 33408
 (561) 827-8100
 WILL CALL # 11

This is not a certified copy

MEMORANDUM OF LEASE

LESSOR: UNITED STATES SUGAR CORPORATION,
 a Delaware corporation with a mailing address of:
 111 Ponce de Leon Avenue
 Clewiston, Florida 33440

LESSEE: STEWART MINING INDUSTRIES, INC.,
 a Florida corporation with a mailing address of:
 Post Office Box 4332
 Fort Pierce, Florida 34948

LEASE: MINING AND EXCAVATION LEASE AGREEMENT
 Made on June 22, 2005 between LESSOR and LESSEE

LEASED PREMISES: THAT PROPERTY IN PALM BEACH COUNTY,
 FLORIDA MORE PARTICULARLY DESCRIBED IN
 EXHIBIT "A" ATTACHED HERETO

TERM: 35 YEARS FROM JUNE 22, 2005.

The undersigned as LESSEE under the referenced LEASE hereby files this MEMORANDUM OF LEASE to reflect its rights in the LEASED PREMISES described herein pursuant to the LEASE with LESSOR for the TERM.

REFERENCE SHOULD BE MADE TO THE UNRECORDED LEASE FOR THE FULL TERMS THEREOF.

{Client Files\LC0001\00013619.DOC V1}

In witness whereof, LESSEE has executed this MEMORANDUM OF LEASE this 1st day of July, 2008.

[Handwritten signature]
Name: _____
Name: _____

STEWART MINING INDUSTRIES, INC.,
a Florida corporation
By: *[Handwritten signature]*
Nick T. Stewart
President

STATE OF FLORIDA)
COUNTY OF St. Lucie) ss

On the 1st day of July, 2008 before me, a notary public in and for the State and County aforesaid, personally appeared NICK T. STEWART, who acknowledged himself to be the President of STEWART MINING INDUSTRIES, INC., a Florida corporation, and that he as such officer, being authorized to do, executed the foregoing instrument for the purposes therein contained by signing the name of the authorized agent of the corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



[Handwritten signature]
Kathleen M. Shepherd
Notary Public
My Commission Expires: 11-3-11

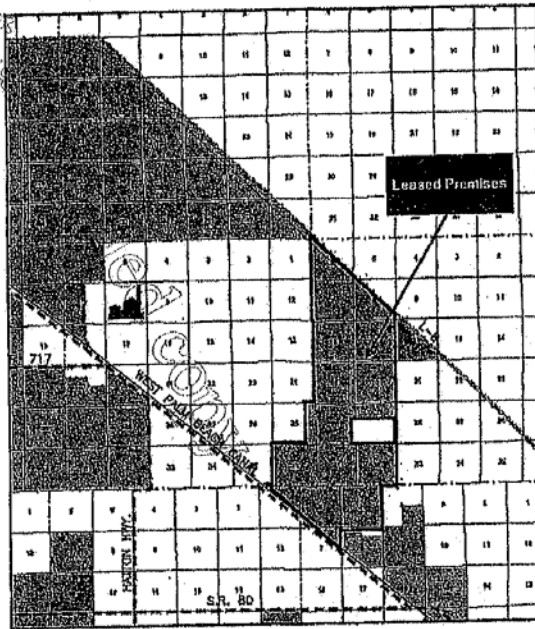
(Client Files\LC0001\00013619.DOC V1)

EXHIBIT "A" TO THE MINING AND EXCAVATION LEASE AGREEMENT

DESCRIPTION OF THE "LEASED PREMISES"

All real property owned by Lessor in:

- Sections 6, 7, 8, 17, 18, 19, 20, 29, 30, 31, and 32, Township 42 South, Range 39 East
- Section 36, Township 42 South, Range 38 East
- Section 1, Township 43 South, Range 38 East
- Section 5, 6, and 7, Township 43 South, Range 39 East



**OPTION TO PURCHASE
(2 PAGES)**

cause the SELLER Representatives and other Persons acting on its behalf not to, directly or indirectly: (i) initiate, solicit or seek, entertain any inquiries or the making or implementation of any proposal or offer with respect to an Acquisition Proposal; (ii) engage in any discussions or negotiations concerning, or provide any confidential information or data to, or have any substantive discussion with, any Person relating to an Acquisition Proposal; (iii) otherwise cooperate with any Person in any effort or attempt to make, implement or accept any Acquisition Proposal; or (iv) enter into an agreement, contract, letter of intent, memorandum of understanding or confidentiality agreement with any Person relating to an Acquisition Proposal. SELLER agrees to notify Buyer promptly if it or any SELLER Representative or other Persons acting on its behalf receives, after the date of Validation, any written inquiries, offers or proposals relating to an Acquisition Proposal; and provide Buyer with the details thereof, keep BUYER informed with respect thereto, and provide BUYER with copies thereof.

g. **Post-Termination Transaction.** In the event SELLER terminates this Agreement because SELLER fails to obtain approval of PARENT'S stockholders for any reason, and if SELLER thereafter sells all or substantially all of the Premises or all or substantially all of the Option Property within a period of twelve (12) months following said termination, then BUYER shall be entitled to receive the Termination Fee. This subsection (g) shall survive the Closing.

h. **Additional Transactions.** Nothing in this Section 25 shall limit SELLER'S right to engage in activities related to pursuing, negotiating, documenting and completing Additional Transactions. In no event shall the Termination Fee be payable to BUYER in respect of an Additional Transaction.

26. OPTION TO PURCHASE REAL PROPERTY

a. If the Closing occurs, then for (i) a period commencing from the Closing Date through the date that is immediately prior to third (3rd) anniversary thereof (the "Exclusive Option Period"), SELLER hereby grants to BUYER the exclusive option (the "Exclusive Option") and (ii) a period commencing on the third (3rd) anniversary of the Closing Date through the tenth (10th) anniversary thereof (the "Non-Exclusive Option Period"), SELLER hereby grants to BUYER, the non-exclusive option (the "Non-Exclusive Option") (the Non-Exclusive Option and the Exclusive Option, are hereinafter collectively referred to as the "Option"), and the Exclusive Option Period and the Non-Exclusive Option Period are hereinafter collectively to as the "Option Period"), to purchase all (but not less than all) of that certain real property located in Hendry, Glades, and Palm Beach Counties, Florida as more particularly described on Exhibit 26.1 attached hereto (the "Option Property"), which consists of approximately one hundred seven thousand one hundred eighty-seven (107,187) acres, more or less, subject to any and all leases for all or any portion of the Option Property then in effect at the time of exercise of such Option and subject to the New Lease (as defined in subsection j below). BUYER may exercise the Option at any time during the applicable Option



Period by giving SELLER written notice thereof ("Option Notice"). During the Exclusive Option Period, in no event shall SELLER sell, enter into new leases for (provided this shall not prohibit SELLER from reinstating any lease in order to resolve any tenant dispute); transfer or convey any portion of the Option Property without BUYER's written consent, which may be withheld in BUYER's sole and absolute discretion, provided, however, that: (i) SELLER may sell, transfer or convey all or substantially all of the Option Property during the Exclusive Option Period without BUYER's written consent, provided and on the condition that such property is sold subject to this Option (a "Permitted Sale"); (ii) SELLER may enter into agricultural leases during the Exclusive Option Period so long as the term of any such leases does not exceed three (3) years, or, if the lease term exceeds three (3) years, such lease must contain a waiver by the tenant of the relocation rights under the Uniform Relocation Assistance and Real Property Acquisition Policy Act of 1970, as amended (42 U.S.C. Sec. 4601, et seq.), and must be terminable upon two (2) years written notice, without payment or relocation benefits, provided such notice shall not be effective prior to the end of the 3rd anniversary of the commencement of such lease term; and (iii) SELLER may at all times finance and refinance the Option Property without BUYER's consent. During the Non-Exclusive Option Period, there shall be no restrictions on SELLER's ability to: (A) sell, transfer or convey all or any portion of the Option Property (subject to the Right of First Refusal); or (B) lease all or any portion of the Option Property (provided that SELLER will notify BUYER of its intention to enter into any such lease(s), but BUYER shall have no right to consent to or approve the same). For purposes of determining the land subject to the Option at any time, "Option Property" shall mean the property designated as such in Exhibit 26.a as of the Effective Date, excluding any lands which at the time of exercise of the Option by BUYER have been (i) sold, transferred or conveyed by SELLER in accordance with this Agreement (other than in connection with a Permitted Sale), (ii) acquired by BUYER in the exercise of the Right of First Refusal, (iii) excluded by BUYER under the Option Purchase Agreement (as defined below) in accordance with the title provisions thereof, or (iv) excluded as a result of failure, breach or default by SELLER or any other cause except BUYER's default.

- b. The purchase price for the Option Property during the Exclusive Option Period shall be fixed at SEVEN THOUSAND FOUR HUNDRED DOLLARS AND NO/100 (\$7,400) per acre and for the Non-Exclusive Option Period shall be determined as set forth below (the "Option Property Purchase Price") and the fair market rent for the Premises and Option Property to be paid under the New Lease (as defined below) (regardless of whether the Option is exercised during the Exclusive Option Period or Non-Exclusive Option Period) shall be determined as set forth below (collectively, the "Post Option Fair Market Rent").
- c. If the Option is exercised during the Exclusive Option Period, then the Option Notice shall include an original, signed appraisal(s) dated within thirty (30) days of such notice setting forth BUYER's proposed Post Option Fair Market Rent for the Premises and Option Property ("Buyer's Proposed Post Option Fair Market").



CONTINGENT AND LIMITING CONDITIONS

1. The appraiser(s) whose signature appears on the letter of transmittal assumes no responsibility for matters legal in character and no opinion as to the title is rendered. All existing liens and encumbrances, if any, have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management, unless otherwise specifically stated.
2. Any sketches or renderings contained within this report are approximate only and are included, along with photographs, for the purpose of assisting the reader in visualizing the property or problem at hand.
3. All statements and cost estimates are derived from sources believed to be reliable, but are in no sense guaranteed.
4. No survey or topographical study of the property has been made by the appraiser(s) and the appraiser(s) assumes no responsibility in connection with such matters. Size of the property which is the subject of the appraisal is derived from sources believed to be accurate, however, the reader or client is cautioned to rely only upon a qualified land surveyor or engineer for exact figures.
5. The appraiser(s) is not required to give testimony or attendance in court by reason of this appraisal unless prior arrangements have been made. Fees for the subsequent presentation, support, or testimony of value estimates or matters contained within this analysis are in addition to those charged for the initial preparation of the original value estimate.
6. Possession of any copy or part of this report does not carry with it the right of publication, nor may it be used for any purpose by anyone but the client, without the previous written consent of the client or appraiser(s).
7. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, newspapers, or other media, without the written consent and approval of the author, particularly as to valuation conclusion, the identity of the appraiser(s) or firm with which he/she or they are connected, or any reference to the Appraisal Institute.
8. The appraiser(s) assumes there are no hidden conditions of the property which would render it more or less valuable than an otherwise apparently comparable property. The appraiser(s) assumes no responsibility for such conditions or for any engineering which might be required to discover them.

CONTINGENT AND LIMITING CONDITIONS, Cont'd.

9. Unless otherwise stated in this report, the existence of hazardous substances, including without limitation, asbestos, polychlorinated biphenyls, petroleum leakage or agricultural chemicals, which may or may not be present on the property, or other environmental conditions were not called to the attention of the appraiser, nor did the appraiser become aware of such during the appraiser's inspection. The appraiser has no knowledge of the existence of such materials on or in the property, unless otherwise stated. The appraiser, however, is not qualified to test such substances or conditions. If the presence of such substances such as asbestos, urea formaldehyde foam insulation, or other hazardous substances or environmental conditions may affect the value of the property, the value estimated is predicated on the assumption that there is no such condition on or in the property or in such proximity thereto that it would cause a loss in value. No responsibility is assumed for any such conditions, nor for any expertise or engineering knowledge required to discover them.

CURRICULUM VITAE

E. LARRY SEWELL, MAI

The appraiser is a partner and principal in the real estate appraisal firm, SEWELL, VALENTICH, TILLIS & ASSOCIATES, which is a partnership of professional associations formally organized for the purpose of providing real estate and related evaluation services to the general public. Acting as a full-service appraisal association, SVTA participates primarily in the evaluation of real estate and emphasizes the representation of both public and private entities involved in eminent domain litigation. Examples of analyses of real property interest include evaluations for the following: eminent domain; inverse condemnation; Bert Harris claims; tax appeal; court ordered partitioning; insurance cost analysis; evaluation of partial interests, such as easements; reservations; lease evaluations; temporary construction easements; encroachments, residual interests; and the evaluation of special purpose or unique properties which are not commonly marketed.

Appraisal and consulting assignments frequently require the development of analytical studies to determine the impact caused by extraneous conditions such as inharmonious land uses, governmental actions or restrictions placed upon the use of properties. Damage analyses and studies conducted by the appraiser include: evaluation of impact caused by the presence of expanded roadways; over-flight of aircraft; proximity to electrical transmission facilities; high pressure gas lines; encroachments; construction defects; flowage easements; public schools; and a number of other unique evaluation issues.

Approved in numerous jurisdictions throughout the State of Florida, the appraiser has been accepted by various courts as an expert witness and allowed to present testimony relating to the value of a wide variety of real estate interests. The appraiser has also served as a court-appointed commissioner for the purpose of partitioning lands, has participated in numerous mediations and negotiations.

The appraiser routinely attends professional appraisal classes and seminars to maintain a level of expertise required to fulfill both State of Florida and Appraisal Institute continuing educational requirements.

Professional Affiliations and Licensing

Member of the Appraisal Institute (MAI)
Florida Real Estate Broker #0079444
State-Certified General Real Estate Appraiser No. RZ501
Building Contractor's License, #RR0043100, (Class "C", Reg. Residential)