

December 1, 2008

Eric Buermann -Chair, SFWMD Governing Board
Squire, Sanders & Dempsey L.L.P., Suite 4000
Wachovia Financial Center
200 South Biscayne Boulevard
Miami, Florida 33131-2398

Dear Chairman Buermann,

The purchase of 180,000 acres of US Sugar's land holdings, including extensive acreage in the EAA, holds the best promise for restoration of the Everglades. Up to 130,000 acres are needed to increase water treatment and storage projects in order to replenish freshwater flows into the Everglades.

Governor Crist and the South Florida Water Management District are to be commended for the imagination and courage invested in proposing this historic purchase.

The proposed financing plan, borrowing funds against the District's property tax revenue is a smart strategy to link costs to benefits for South Florida's residents. Although the Everglades is an international treasure, certain economic, recreational and health benefits are specific to the citizens of and the businesses that serve visitors to South Florida.

Leasing most of the acreage back for farming makes good economic sense as it keeps jobs in the region, land on the tax rolls, land in production that would otherwise be expensive for government to manage and allows a minor income stream back to the District.

The Everglades, even with current projects underway, continues to experience documented declines in ecosystem health. Restoration projects to move clean water from Lake Okeechobee to the Everglades are urgently needed. We anticipate that as the planning process proceeds that urgency will drive recommendations for specific projects.

It is for that reason that we feel compelled to ask that the lease agreement not constrain the possible use of the land taxpayers are purchasing at a dear price from being used to gain earlier restoration benefits. Leaseback of all acreage, save the potential release of only 10,000 acres after one year and 30,000 near the end of the term of the lease, precludes earlier restoration benefits if the District does find a way to plan and finance restoration projects.

We suggest that the District reserve the right to take possession of larger amounts of land more quickly. A more agreeable timetable associated with a schedule allowing the leases to be cancelled without penalty would help drive earlier benefits.

Earlier project planning and possession would also help avoid the worrisome prospect of the District taking possession of so much land at once at the end of the proposed lease period. It will be difficult for the District to take possession and make use of such a large amount of land at the end of the seven year term of the lease. Furthermore, projects and project planning should not be constrained by the inability to consider trading of key parcels of land.

We are particularly concerned about several provisions of the lease agreement. The District does not currently allow commercial limerock mining on public lands, and should preclude such

commercial mining on these lands. Subleases should not be permitted because of the specific favorable terms of the lease.

We must point out that a key opportunity for restoration benefits is not only missing from the contract but may be precluded by existing contract language.

A significant source of harm to the Everglades ecosystem comes from the water supply used for irrigation and from the management of surface water for drainage and flood control. US Sugar currently has a legal right to water supply in quantities and times when the natural system is in urgent need of the same water. Similarly, US Sugar is able to drain its land at times when other parts of the drainage system are hard pressed to accept more water.

While some irrigation and drainage is and must be made necessary to produce profitable sugar crops, the District should be able to reevaluate permits for water supply and surface water management on lands that will be owned by the public. The goal should be to eliminate any harm to the natural systems associated with water management for anything more than sustainable, as opposed to maximum, yields of sugarcane. This may reduce yield and may reduce the feedstock to the mills. But this irrigation and drainage is the heart of the EAA water management debate. Taxpayers should not guarantee water supply and drainage for government-owned land at a level that is harmful to the environment.

The contract appears to preserve sugarcane farming and citrus groves according to past practices. The current Best Management Practices - BMPs - for sugarcane farming are not the "best" practices for protecting water quality and for maintaining soils. The BMPs are requirements from the Settlement Agreement and the Everglades Forever Act. The lease agreement should not preclude requirements by the District, as the landowner, requiring even more aggressive practices to protect both soils and water quality.

If the District is to lease land back to US Sugar at the very favorable rate of \$50 per acre per year, and we question that lease rate, then the District should insist that the goal of the use of the land be farming that is sustainable and compatible with the goals of ecosystem protection and restoration. We believe there is an inconsistency by including Section 25 of the purchase contract. It is quite advantageous to the seller and favorable to the creation of a competitive purchase offer.

To summarize:

We highly commend the District and the Governor for this bold initiative to restore the Everglades.

We recommend that you approve the proposed sales agreement.

We recommend you reconsider Section 25 of the purchase contract.

We recommend that the lease agreement be modified to:

- Preclude mining

- Preclude subleasing of public land

- Allow and not preclude modification of irrigation and drainage practices

- Allow and not preclude earlier release of the land for projects and trades

Sincerely,

Kirk Fordham, CEO
Everglades Foundation

David Anderson, Executive Director
Audubon of Florida