

CASEY CIKLIN LUBITZ MARTENS & O'CONNELL

A PARTNERSHIP INCLUDING PROFESSIONAL ASSOCIATIONS

LINDA DICKHAUS AGNANT, P.A.
BRUCE G. ALEXANDER, P.A.
JERALD S. BEER, P.A.
JOHN D. BOYKIN, P.A.
JESSICA M. CALLOW
PATRICK J. CASEY, P.A.
RICHARD R. CHAVES, P.A.
PATRICIA M. CHRISTIANSEN, P.A.
ALAN J. CIKLIN, P.A.
ROBERT L. CRANE, P.A.
RONALD E. CRESCENZO, P.A.
JEFFREY M. GARBER, P.A.
ASHLEY N. GIROLAMO
JASON S. HASELKORN, P.A.
CHRISTINE M. HOKE

W. JAY HUNSTON, III
RICHARD A. JAROLEM, P.A.
BRIAN B. JOSLYN, P.A.
GREGORY S. KINO, P.A.
CHARLES A. LUBITZ, P.A.
JASON C. MAIER
RICHARD L. MARTENS, P.A.
BRIAN M. O'CONNELL, P.A.
PHIL D. O'CONNELL, P.A.
CHARLES L. PICKETT
NICHOLAS J. PURVIS
MATTHEW N. THIBAUT, P.A.
DEAN VEGOSEN, P.L.
GARY WALK, P.A.
JOHN R. YOUNG, P.A.

PHILLIP D. O'CONNELL, SR. (1907-1987)

OF COUNSEL

MICHAEL J. MONCHICK, P.A.
MICHAEL J. KENNEDY, P.A.
JOHN L. REMSEN

515 NORTH FLAGLER DRIVE, STE. 1900
WEST PALM BEACH, FLORIDA 33401-4343
TELEPHONE: (561) 832-5900
FACSIMILE: (561) 833-4209

January 6, 2009

Executive Copy
JAN 07 2009

Carol Ann Wehle
Executive Director
South Florida Water Management District
3301 Gun Club Road
West Palm Beach, FL 33406

Re: Florida Rock Industries v. U.S. Sugar

Dear Ms. Wehle:

You may have seen some articles in the local newspapers regarding Florida Rock's lease with U.S. Sugar for a mine in the EAA. So that there is no confusion as to Florida Rock's position and the status of the lease, please find enclosed a press release setting forth Florida Rock's position on the lease as well as a copy of the Complaint which was filed on December 31, 2008 in the Palm Beach County Circuit Court.

Florida Rock will continue to diligently pursue all of its permits and approvals, and until there is a Court Order to the contrary, we expect that all governmental agencies will continue to review and process Florida Rock's application without interruption or delay.

If you have any questions, please don't hesitate to contact me.

Sincerely,

[Handwritten signature of Alan J. Ciklin]

Alan J. Ciklin

AJC/cmm
Enclosures

cc: Scott McCaleb (via e-mail, w/o enclosures)
John DeVault, Esq. (via e-mail, w/o enclosures)
Harri Haikala, Esq. (via e-mail, w/o enclosures)

Vulcan Materials Company Media Statement
Florida Rock Industries, Inc. v. U.S. Sugar Corporation

Litigation contact: John A. DeVault (904) 353-0211
Media Contact: Alan Ciklin (561) 832-5900

Florida Rock Industries strongly disputes U.S. Sugar's assertion that a lease agreement between our two companies expired on December 31, 2008.

Since October 2006, Florida Rock has made substantial investments in a project to mine limestone aggregates on a portion of U.S. Sugar's property. Florida Rock has been working diligently to obtain all permits and other governmental approvals for the project and has obtained substantially all permits, though several are in the final stages of approval. As a result of these permit activities and under the terms of the lease, Florida Rock is entitled to receive an 18-month extension of the agreement to secure the remaining permits.

Florida Rock has filed a lawsuit in Palm Beach County Circuit Court seeking to enforce the terms of the agreement and have the court issue a ruling setting forth the parties' rights under the agreement.

Florida Rock and Vulcan Materials Company, which acquired Florida Rock in November 2007, are committed to being good environmental stewards in their operations and support efforts to protect and restore the Everglades.

IN THE CIRCUIT COURT, FIFTEENTH
JUDICIAL CIRCUIT, IN AND FOR
PALM BEACH COUNTY, FLORIDA

CASE NO.:
DIVISION:

2008 CA 041457 XXXX

FLORIDA ROCK INDUSTRIES,
INC., a Florida corporation,

Plaintiff,

v.

UNITED STATES SUGAR
CORPORATION, a Delaware
corporation; and SBG FARMS,
INC., a Florida corporation,

Defendants.

COPY
RECEIVED FOR FILING

DEC 31 2008

SHARON R. BOCK
CLERK & COMPTROLLER
CIRCUIT CIVIL DIVISION

COMPLAINT

Plaintiff, Florida Rock Industries, Inc. ("Florida Rock"), sues Defendants, United States Sugar Corporation and SBG Farms, Inc. (collectively "U.S. Sugar"), and alleges:

PRELIMINARY STATEMENT

1. This action seeks damages arising out of U.S. Sugar's breaches of a contract known as the Mining and Excavation Lease Agreement (the "Agreement") between U.S. Sugar and Florida Rock dated October 1, 2006, under which U.S. Sugar granted to Florida Rock the exclusive rights to mine aggregate materials and minerals for a period of forty (40)

years from approximately 7,500 acres of specific real property owned by U.S. Sugar and located in Palm Beach County, Florida. The action also seeks a declaratory judgment as to the parties' rights under the Agreement.

THE PROPERTY AND THE PARTIES

2. The property which is the subject of the Agreement is located in western Palm Beach County and, since at least 1985, has been utilized by U.S. Sugar for farming purposes, the major crop is sugarcane. The property contains an excellent reserve of quality limestone meeting all Florida Department of Transportation specifications. Limestone is an essential element of cement, concrete, asphalt, road base, and other concrete products that are necessary for roads, bridges, schools, hospitals, residences, public buildings, and other construction projects. The extraction and use of this limestone is essential for use in future construction projects in the State of Florida and for its economic recovery.

3. Florida Rock was incorporated in Florida in 1945, is a major basic construction materials company concentrating its operations in the Southeastern, Mid-Atlantic states with a primary emphasis in the State of Florida. Florida Rock is one

of the nation's leading producers of construction aggregates, ready mixed concrete, and concrete block. In Florida, Florida Rock manufactures Portland cement and calcium products, mines limestone aggregates which are included in residential and commercial buildings, roads, bridges, and a variety of other construction projects. Florida Rock became a wholly-owned subsidiary of Vulcan Materials Company in November 2007.

4. United States Sugar Corporation is a Delaware corporation with its headquarters in Clewiston, Hendry County, Florida. Founded more than 75 years ago, U.S. Sugar is one of America's premier privately-held agribusiness companies and farms over 182,000 acres in Hendry, Glades, and Palm Beach counties. It is the country's largest producer of sugarcane and refined cane sugar and one of Florida's major producers of oranges and orange juice products. SBG Farms, Inc. is a Florida corporation and wholly-owned subsidiary of United States Sugar Corporation.

JURISDICTION AND VENUE

5. This Court has jurisdiction over this matter pursuant to Sections 26.012 and 86.011, Florida Statutes (2008).

6. The amount in controversy in this action exceeds \$15,000, exclusive of interest, costs, and attorneys' fees.

7. Venue is proper in this Court pursuant to Sections 47.011 and 47.051, Florida Statutes, in that U.S. Sugar does business in Palm Beach County, the causes of action accrued in Palm Beach County, and the property which is the subject of the contract at issue in this case is located in Palm Beach County.

8. Florida Rock was required to employ the undersigned attorneys to enforce the terms of the Agreement and has agreed to pay them a reasonable fee for their services.

GENERAL ALLEGATIONS

Background

9. All conditions precedent to this action have been satisfied or waived.

10. This action arises out of a contractual relationship between Florida Rock and U.S. Sugar pursuant to the terms of a Mining and Excavation Lease Agreement dated October 1, 2006. U.S. Sugar and its counsel primarily drafted the Agreement. Because the Agreement contains a confidentiality provision

which provides in part that before the Agreement can be disclosed in a judicial proceeding, the other party must be provided prior notice (Section 42), the Agreement is not attached to this Complaint. Should U.S. Sugar make no objection to its disclosure within twenty (20) days of service of this complaint, a copy of the Agreement will be promptly filed with the Court. A copy of the Memorandum of Lease, as filed in the Official Records of the Clerk of Palm Beach County, Florida, which contains the legal description of the property subject to the Agreement (the "Leased Premises"), is attached hereto as Exhibit A.

11. Under the terms of the Agreement (Section 6.1), the parties recognized that the zoning classification of the Leased Premises must be changed and that various governmental permits and approvals were required before Florida Rock could engage in mining activities (collectively "Approvals"). The parties jointly applied for and worked together initially to secure all necessary Approvals. Under the Agreement, Florida Rock assumed "sole and exclusive responsibility to obtain all Approvals." (Id.)

12. The Agreement provides for a Permitting Period, to run from October 1, 2006 to December 31, 2008 (together with

an extension of up to eighteen (18) months if Florida Rock is in the process and is diligently attempting to obtain all Approvals); a Construction Period of twelve (12) months after receipt of all Approvals; and a Lease Period of forty (40) years thereafter.

13. The Agreement provides that Florida Rock would "apply for and obtain the Approvals and use its best efforts to obtain same" by December 31, 2008. The Agreement further provides U.S. Sugar with discretionary authority, without providing any defined standards, to extend the Permitting Period for up to an additional eighteen (18) months if Florida Rock was "diligently attempting to obtain all Approvals, and in U.S. Sugar's reasonable opinion that all Approvals will likely be obtained." (Section 6.2.) That Section reads in full as follows:

6.2 Deadline to File for and Obtain Approvals. By December 31, 2008 ("Permitting Period"), Florida Rock will apply for and obtain the Approvals and use its best efforts to obtain same. At anytime during the Permitting Period, Florida Rock may terminate this Agreement. If Florida Rock does not obtain all necessary Approvals by the end of the Permitting Period, then this Agreement shall automatically terminate; provided, however, that if Florida Rock is diligently attempting to obtain all

Approvals, and in U.S. Sugar's reasonable opinion that all Approvals will likely be obtained, then U.S. Sugar will extend the Permitting Period until such time that U.S. Sugar believes that it is unlikely that Approvals will be obtained; provided, however, that such extension shall not exceed a period of eighteen (18) months.

14. With respect to U.S. Sugar's right to terminate the Agreement in the event Florida Rock has not obtained all Approvals within the Permitting Period, the Agreement provides as follows:

21.2 Upon ninety (90) days notice, U.S. Sugar may terminate this Agreement if Florida Rock has not obtained all Approvals required to commence Mining Activities by the end of the Permitting Period.

To date, U.S. Sugar has not provided Florida Rock with a ninety (90) day notice as required by Section 21.2 of the Agreement.

15. U.S. Sugar has no right to assign the Agreement, except to a wholly-owned subsidiary (Section 20).

Florida Rock's Pursuit of the Approvals

16. Since the Agreement was executed, Florida Rock has diligently attempted to obtain all necessary Approvals from local, state, and federal authorities. To date, Florida Rock has expended more than \$1.4 million in securing the Approvals necessary to engage in mining activities on the Leased Premises.

17. In order for Florida Rock to fulfill the conditions of the Agreement and begin mining under the Agreement, Florida Rock was required to obtain, and has obtained, the following Approvals:

a. General Permit for Sand and Limestone Mines from the Florida Department of Environmental Protection ("FDEP"). The Permit was issued by the FDEP effective December 17, 2008 (copy attached as Exhibit B);

b. Construction Mining Permit (Blasting) from the State of Florida Department of Financial Services, Division of State Fire Marshal. The Permit was issued on November 18, 2008 (copy attached as Exhibit C);

c. Zoning Resolution Approving Class A Conditional Use by the Palm Beach County Board of County Commissioners. The Resolution was adopted and filed with the Clerk of the Palm Beach County Board of County Commissioners on April 24, 2008 (copy attached as Exhibit D); and

d. Environmental Resource Permit ("ERP") from the FDEP. The Notice of Intent to issue ERP was signed by the FDEP's Deputy Director of the Division of Water Resources Management, Richard Cantrell, on December 22, 2008 (copy attached as Exhibit E).

18. The Approvals currently pending and anticipated to be issued shortly are:

a. Final Site Plan DRO Approval from the Palm Beach County Board of County Commissioners. The application was submitted on June 18, 2008; final approval was contingent on issuance of the ERP (Notice of Intent to issue ERP was issued December 22, 2008); and

b. Water Use Permit from the South Florida Water Management District ("SFWMD"). The application was deemed complete by the SFWMD on December 18, 2008, pending issuance of the ERP (see Exhibit F).

19. Inasmuch as FDEP, on December 22, 2008, has now given its Notice of Intent to issue the Environmental Resource Permit, Florida Rock anticipates the Final Site Plan DRO Approval and Water Use Permit from SFWMD should be forthcoming shortly.

20. The State of Florida has rendered its opinion that the lands at issue are not considered wetlands or waters of the State of Florida (see Exhibit E). Because the Leased Property qualifies as prior converted cropland, and pursuant to 33 C.F.R. § 328.3(a)(8), is excluded from the Corps' jurisdiction under regulatory definition of "water of the United States," a Section 404 permit is not required for any of the proposed mining activities. Florida Rock has, however, out of an abundance of caution, submitted to the United States Army Corps of Engineers, and there is currently pending, a request for an Approval Jurisdictional Determination.

21. Throughout the permitting process, Florida Rock has kept U.S. Sugar and its representatives advised of its extensive efforts to obtain all Approvals required within the Permitting Period. Recognizing that it has secured the primary Approvals necessary, and that the remaining Approvals are likely to be forthcoming in the near future, Florida

Rock's counsel, Alan J. Ciklin, sent a letter to U.S. Sugar on December 17, 2008 bringing it up to date on the status of all Approvals and requesting an extension, not exceeding eighteen (18) months, as authorized under Section 6.2 of the Agreement (copy attached as Exhibit G).

22. In response, Florida Rock received a letter dated December 19, 2008 from U.S. Sugar's legal counsel requesting delivery of extensive files, most of which are immaterial to a good faith determination as to whether the two Approvals not yet received are "likely [to] be obtained," as provided by the Agreement (copy attached as Exhibit H). For example, U.S. Sugar's letter demands with respect to permits already issued:

[A]ny correspondence, notes of meetings, minutes, electronic mails, diary entries, telephone logs or messages, attendance lists, data, analysis, memoranda, notes, official staff report(s) or recommendations, or other documents, papers, letters, maps, books, tapes, photographs, films, sound recordings, data processing software, or other material, regardless of the physical form, characteristics, or means of transmission, made or received whether kept in hard copy or in electronic format, whether final or in draft form.

23. Further the letter states that if the material requested is not received, or not reviewed by U.S. Sugar "prior to December 31st, then the Lease shall terminate."

24. The letter from U.S. Sugar is nothing more than a subterfuge to enable U.S. Sugar to have a claimed basis to terminate the contract, ignoring its obligation to exercise good faith and fair dealing in making a discretionary judgment under Florida law; ignoring the requirements of Section 21.2 requiring ninety (90) days notice of termination; ignoring the several events of Force Majeure which mandate extensions under Section 27; and acting in its own economic interest as the result of the recent commitment of the State of Florida to pay U.S. Sugar a total of \$1.34 billion for the purchase of in excess of 182,000 acres of land (including the Leased Premises), but only on the condition that the Agreement with Florida Rock is no longer in force.

25. The letter response from U.S. Sugar compelled Florida Rock to proceed with the instant action prior to the claimed termination of the Agreement on December 31, 2008.

**The State of Florida's
Purchase of U.S. Sugar's Land**

26. On June 24, 2008, Governor Charlie Crist announced that the State of Florida, through the SFWMD, would begin negotiating an agreement to acquire lands owned by U.S. Sugar for Everglades restoration, which includes the Leased Premises. The proposal called for U.S. Sugar to retain ownership of the land and facilities and continue its operations for a period of at least seven years.

27. On June 30, 2008, the SFWMD's Governing Board ratified the Statement of Principles signed by SFWMD and U.S. Sugar authorizing SFWMD to begin negotiations and conduct due diligence. From the outset, the Board members and staff of the SFWMD made it clear that they would not permit Florida Rock to engage in mining activities on the property acquired despite the existence of the Agreement granting Florida Rock exclusive mining rights on the Leased Premises for forty years.

28. U.S. Sugar's Board, on December 8, 2008, approved an agreement to sell in excess of 182,000 acres (including the Leased Premises) to the SFWMD.

29. The two land value appraisers employed by the SFWMD valued the mining acreage (based on its potential use for mining), including the Leased Premises, at approximately \$24,000 per acre (Banting - \$27,500; Sewell - \$20,000), or almost five times the value of the agricultural acreage (Banting - \$4,500; Sewell - \$6,255).

30. On December 16, 2008, the SFWMD's Governing Board voted four to three to accept the proposal to acquire more than 182,000 acres of land owned by U.S. Sugar, including the Leased Premises, for a purchase price of \$1.34 billion. The Governing Board further took action specifically rejecting the October 1, 2006 Agreement between Florida Rock and U.S. Sugar declaring that Florida Rock's Agreement would "not be accepted as an assumed lease" under the SFWMD's agreement with U.S. Sugar (see Exhibit I).

31. U.S. Sugar approved the changes to the purchase and sale agreement with the SFWMD on December 22, 2008 (Exhibit J), and the amended agreement was executed by the Chair of the SFWMD on December 23, 2008 (Exhibit K).

32. Despite declaring that it would not accept the mining lease with Florida Rock, or otherwise permit mining on

the Leased Premises, the SFWMD did not reduce the purchase price it has agreed to pay for U.S. Sugar's land. Thus, U.S. Sugar will receive from the SFWMD \$142 million more for the Leased Premises than their own appraisals valued that acreage as non-mining property (7,500 acres at \$24,000 v. 7,500 acres at \$5,000).

33. Accordingly, if U.S. Sugar is successful in terminating the Agreement with Florida Rock: a) it will not be required to wait and receive its royalty payments from the Leased Premises over a forty-year period; b) it will continue to operate its business for at least seven years; and c) it will receive from the SFWMD \$1.34 billion, including over \$142 million more for the Leased Premises than the SFWMD appraisers say it is currently worth.

The Force Majeure Events

34. By its terms, the Agreement provides for extensions for performance of any contractual provision prevented or delayed by a Force Majeure event, provided notice is given to the other party (Section 27). Several Force Majeure events have occurred and been noticed to U.S. Sugar pursuant to the terms of the Agreement.

35. The Force Majeure events which have occurred and been noticed to U.S. Sugar by the letters of Florida Rock's legal counsel, Alan J. Ciklin, include, but are not limited to, litigation challenging permit approvals; announced opposition by SFWMD officials to mining on property it intended to acquire; challenges by the Department of Environmental Protection (Exhibit L - letter dated June 26, 2008); demands by the United States Environmental Protection Agency for a regional Environmental Impact Statement (Exhibit M - letter dated July 21, 2008); and delays providing Florida Rock with the Notice of Intent to issue the FDEP permit (Exhibit N - letter dated December 1, 2008).

36. Each of these events under the Agreement require mandatory extensions of the time periods provided, including the Permitting Period.

COUNT I
(Breach of Contract - § 6.2)

37. Florida Rock adopts and realleges paragraphs 1 through 36 as though fully set forth herein.

38. U.S. Sugar's actions as described herein constitute a breach of the Agreement.

39. Section 6.2 of the Agreement grants to U.S. Sugar authority to make a discretionary decision without providing any defined standards. In such an instance, Florida law (which governs this Agreement - Section 30) provides for an implied covenant of good faith and fair dealing designed to protect the contracting parties' reasonable expectations and limit the party who possesses the discretion to act capriciously to contravene the reasonable contractual expectations of the other party.

40. U.S. Sugar has breached the implied covenant of good faith and fair dealing contained in Section 6.2 in refusing to extend the Permitting Period based on the information already provided to it and in declaring that the "Lease shall terminate [on December 31, 2008]." By its action, U.S. Sugar has undermined the Agreement's basic purpose, frustrating Florida Rock's ability to perform its obligations under the Agreement, and depriving Florida Rock of the essential benefits for which it had bargained.

41. Florida Rock expended considerable sums in reasonable reliance upon U.S. Sugar's express promises and good faith in entering into the Agreement.

42. U.S. Sugar's breach of its duty of good faith and fair dealing under Section 6.2 has caused damage to Florida Rock and will continue to cause damage throughout the period of the Agreement.

WHEREFORE, Plaintiff Florida Rock Industries, Inc. demands judgment against Defendants United States Sugar Corporation and SBG Farms, Inc. for damages, interest, attorneys' fees, and the costs of this action, and any other such relief that the Court deems just and equitable.

COUNT II
(Breach of Contract - § 21.2)

43. Florida Rock adopts and realleges paragraphs 1 through 36 as though fully set forth herein.

44. By its letter of December 19, 2008 (Exhibit H), U.S. Sugar has indicated that the Agreement will terminate on December 31, 2008 unless it chooses to extend the Permitting Period.

45. Section 21.2 of the Agreement, prepared by U.S. Sugar and its counsel, unequivocally provides that "if Florida Rock has not obtained all Approvals required to commence Mining Activities by the end of the Permitting Period," U.S.

Sugar may terminate the Agreement only upon giving Florida Rock ninety (90) days notice.

46. U.S. Sugar has not given Florida Rock ninety (90) days notice as required by the Agreement.

47. U.S. Sugar's actions as described herein constitute a breach of the Agreement.

48. U.S. Sugar's breach of the Agreement has caused, and will continue to cause, severe economic losses and damages to Florida Rock.

WHEREFORE, Plaintiff Florida Rock Industries, Inc. demands judgment against Defendants United States Sugar Corporation and SBG Farms, Inc. for damages, interest, attorneys' fees, and the costs of this action, and any other such relief that the Court deems just and equitable.

COUNT III
(Anticipatory Breach of Contract)

49. Florida Rock adopts and realleges paragraphs 1 through 36 as though fully set forth herein.

50. U.S. Sugar's actions as described herein constitute an anticipatory breach of the Agreement with Florida Rock while it was in effect.

51. U.S. Sugar, acting through its Board of Directors, breached the Agreement: a) on or about June 24, 2008 by entering into a Statement of Principles for the Acquisition of U.S. Sugar Property (including the Leased Premises) for \$1.34 billion, with the SFWMD and Charlie Crist, Governor of the State of Florida, stating that it would assign "Lands leased" to the SFWMD despite the fact that the Agreement with Florida Rock prohibited such an assignment; and b) on or about December 8, 2008, approving an agreement with SFWMD for the sale of in excess of 182,000 acres of land, including the Leased Premises, then knowing that the SFWMD had declared that it would not permit mining activities on the Leased Premises as required by the Agreement with Florida Rock.

52. Further U.S. Sugar breached the Agreement while it was in effect by approving and executing the amended purchase and sale agreement with the SFWMD on December 22 and 23, 2008, after the Governing Board of the SFWMD had taken formal action to declare that the October 1, 2006 Agreement between U.S. Sugar and Florida Rock would "not be accepted as an assumed

lease," thereby precluding U.S. Sugar from honoring its obligations under the Agreement.

53. U.S. Sugar's actions as described herein constitute a breach of the Agreement.

54. U.S. Sugar's breach of the Agreement has caused, and will continue to cause, severe economic losses and damages to Florida Rock.

WHEREFORE, Plaintiff Florida Rock Industries, Inc. demands judgment against Defendants United States Sugar Corporation and SBG Farms, Inc. for damages, interest, attorneys' fees, and the costs of this action, and any other such relief that the Court deems just and equitable.

COUNT IV
(Declaratory Judgment)

55. Florida Rock adopts and realleges paragraphs 1 through 36 as though fully set forth herein.

56. There is an actual, substantial, and immediate dispute between Florida Rock and U.S. Sugar concerning the interpretation of the Agreement. By reason of this dispute,

Florida Rock is in great doubt as to its rights and obligations under the Agreement.

57. Those items of dispute with respect to the interpretation of the Agreement include:

a. Whether U.S. Sugar acted reasonably and in good faith under the circumstances in not granting Florida Rock an extension of up to eighteen (18) months under Section 6.2 of the Agreement;

b. Whether the Agreement terminates under Section 6.2 on December 31, 2008, if all Approvals are not obtained, or whether U.S. Sugar is required to give ninety (90) days notice to effectuate termination under Section 21.2; and

c. Whether the various Force Majeure events, as to which Florida Rock has given notice, require U.S. Sugar to extend the December 31, 2008 deadline, and if so by what amount.

WHEREFORE, Plaintiff Florida Rock Industries, Inc. demands judgment:


a. Declaring that U.S. Sugar has breached the Agreement;

b. Declaring that U.S. Sugar is required to extend the Permitting Period for a period of up to eighteen (18) months following the expiration of each of the noticed Force Majeure events;

c. Declaring that U.S. Sugar is required to exclude the Leased Premises from any sale of its property to SFWMD; and

d. Awarding Florida Rock damages against U.S. Sugar including interest and the costs of this action, including reasonable attorneys' fees, and any other such relief that the Court deems just and proper.

BEDELL, DITTMAR, DeVAULT, PILLANS & COXE
Professional Association

By 

John A. DeVault, III
Florida Bar No. 103979
The Bedell Building
101 East Adams Street
Jacksonville, Florida 32202
Telephone: (904) 353-0211
Facsimile: (904) 353-9307

and

CASEY CIKLIN LUBITZ MARTENS & O'CONNELL
Alan Jay Ciklin
Florida Bar No. 136358
515 North Flagler Drive, Suite 1700
West Palm Beach, Florida 33401
Telephone: (561) 832-5900
Facsimile: (561) 820-0381

Counsel for Plaintiff Florida Rock
Industries, Inc.



**CASEY CIKLIN aka
WILL CALL BOX #69**

CFN 20080270877
OR 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 Zaroz, Esq.
McGuireWoods LLP
50 N. Linden 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.

EXHIBIT
A

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:

[Handwritten signatures]
Print: Michelle Hurley
Print: Doreen Mackley

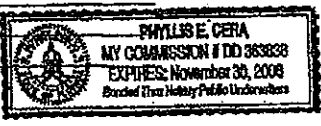
United States Sugar Corporation, a Delaware corporation

By: *[Signature]*
Name: EDUARDO 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 EDUARDO 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.

[Signature]
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

Print: D. L. [unclear]

Print: Daniel [unclear]

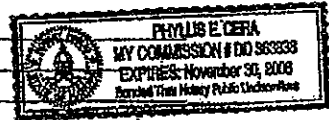
SBG Farms, Inc., a Florida corporation

By: Malcolm S. Wade, Jr.
Name: MACOLM 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 has produced a current 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 Page

Signed, sealed and delivered
in the presence of:

Janet O. Collre
Print: JANET O. COLLRE

Regina J. Simmons
Print: REGINA J. SIMMONS

Florida Rock Industries, Inc., a Florida
corporation

By: [Signature]
Name: Thompson S. Baker
Title: President

STATE OF FLORIDA Alabama
COUNTY OF Jefferson

The foregoing instrument was acknowledged before me this 16th day of July, 2008 by Thompson S. Baker as President of Florida Rock Industries, Inc., a Florida corporation, on behalf of the corporation. He is personally known to me or has produced a current driver's license as identification.

Robbie O. Storey
Notary Public, State of Florida - Alabama - at large
Notary Print Name: Robbie O. Storey
Commission No. 2004/722
My Commission expires: December 1, 2008
(Affix Notary Stamp or Seal)

State of Florida
County of Duval
July 16, 2008

Yicui Kuegmaiseio

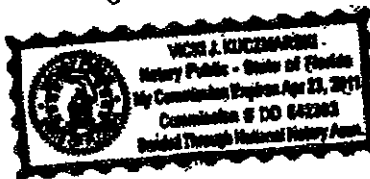


Exhibit A
Description of the Premises

[Attached]

This is not a certified copy

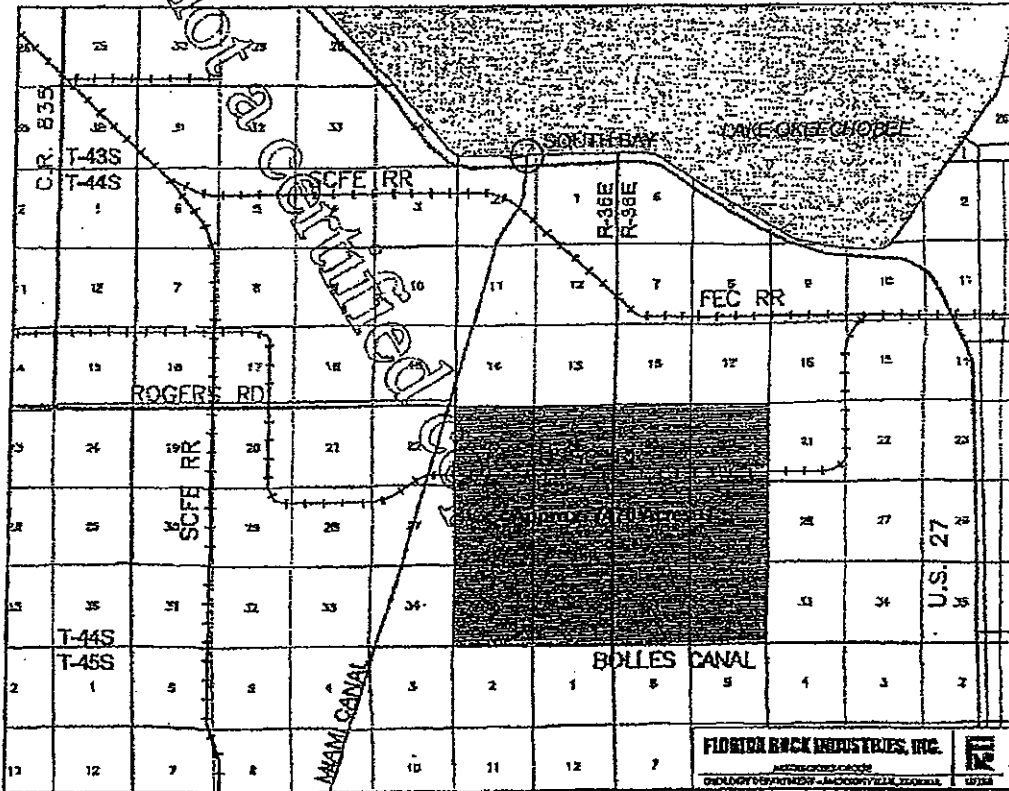
16363218.1

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.





Jack Long, Director
Southeast District Office

Florida Department of Environmental Protection

Southeast District Office
400 N. Congress Avenue, Suite 200
West Palm Beach, Florida 33401
(561) 681-6600

Charlie Crist
Governor

Jeff Kottkamp
Lt. Governor

Michael W. Sole
Secretary

ELECTRONIC CORRESPONDENCE

December 17, 2008

Mr. Thompson S. Baker II, President
Vulcan Materials Company
Florida Rock Division
P.O. Box 4667
Jacksonville, Florida 32757
Email address: (none - send by regular mail)

Palm Beach County
IW - Florida Rock Industries, Inc. - Proposed
Lake Harbor Quarry in Western Palm Beach
County, Limestone Mine Processing
Wastewater Retention Facility
DEP File No.: FLA599492-001-IWF/GC

RE: 660 General Permit for a Sand and Limestone Mines (First-Time Permit)

FL Rock Ind-Lake Harbor Quarry; ID No: FLA599492; off CR 827 & 5 miles SW of South Bay
General Permit Coverage Effective Date: December 17, 2008
General Permit Coverage Expiration Date: December 16, 2013

Dear Mr. Baker:

The Department has received on October 24, 2008, your request filed under the Sand and Limestone Mines General Permit Notification form (DEP Form 62-660.900(6)), for first-time usage of the Chapter 62-660 General Permit for the named quarry project, as provided in Rule 62-660.804, Florida Administrative Code (F.A.C.) Additional project information was received on December 1, 2008. A single time waiver extending the application review time to December 17, 2008, was also filed by the applicant on November 18, 2008.

The Department has completed its review and is not at this time objecting to your usage of such general permit. Please be advised that you are required to abide by all the general conditions for general permit provided in F.A.C. Rule 62-4.540, and the applicable sections of the sand and limestone mines general permit rule provided in F.A.C. Rule 62-660.804. Copies of the two cited rules are attached to this letter for your reference.

Permit Limitation - This particular 660 General Permit authorizes only the construction and operation of a retention system, for storage, percolation-disposal and recycling activities of aggregate processing wastewater (mine tailings) generated from processing - i.e., crushing, washing, screening, classifying, transporting, etc. of the raw excavated materials, and related stormwater runoff (Note: The 660 General Permit is distinguished from the Department's Environmental Resource Permit (ERP) for the same project, currently being processed by the Bureau of Mine Reclamation under ERP application file no. 0282952-001. According to the bureau, the ERP application was deemed complete on October 20, 2008. The ERP permit, when issued, will regulate the overall environmental resources, including all surface water and stormwater management issues for the entire mine project.)

"More Protection, Less Process"
www.dep.state.fl.us

EXHIBIT

B

Mr. Thompson S. Baker II, President
Florida Rock Division
Vulcan Materials Company

Page 2.

The general permit is valid for a term of five (5) years from the effective date of coverage stated above. The request for continued use of the general permit must be filed at least thirty (30) days before the current permit expires. This letter also serves as the required notice of exemption from groundwater monitoring, as relates to the aggregate processing aspect of the operation.

Project Descriptions:

Geographic Location - The entire quarry project property encompasses approximately 7,629 acres, all on properties owned by the U.S. Sugar Corporation, and located within the following contiguous geographical areas in western Palm Beach County: (1) Section 23-26, and 35-36 in T44S and R35E; and (2) Sections 19-20, and 29-32 in T44S and R36E. The rectangular shaped site is located approximately 4.5 miles southwest of South Bay, and on the immediate north side of CR 827 (Bolles Canal/L-21 Road). Its southeast corner is approximately 2.6 miles west of the junction of U.S. Highway 27 and CR 827. The western limit of the site lies about one mile east of the Miami Canal (L-25). The project site at present remains an active sugar cane field. As of November 2008, site preparation activities for the mine project, or construction of the aggregate processing facilities, have not been initiated.

Mining Activity Descriptions - The proposed quarry mine site will be divided into seventy (70) approximately 100-acre phases. Mining will be progressing at a rate of approximately one 100-acre phase each year, and in ascending order sequence, to attain a total mine life of close to 70 years. Most of the 100-acre phases are laid out in a similar long narrow strip pattern, with the east-west length at 9,500 feet and the north-south width at about 420 feet. The initial mining activity will mostly be located near the north-central section of the site. All of the 100-acre phases will be excavated to a depth of approximately 30 feet below the existing grade, or to elevation of -20 feet, NGVD. Existing natural grade is at an average elevation of +10 feet, NGVD. The mines will be excavated in the wet or below groundwater table by draglines, and with no dewatering, and the excavated materials transported by dump trucks to the central aggregate processing plant. At this time, two (2) such central processing plants, each stationed inside a 150-acre bermed footprint area, are contemplated for the project. The first processing plant will be constructed at the commencement of mine operation. The second processing plant will likely be constructed during the latter closing phase of the operation.

Processing Plant - The final design of the aggregate processing plant operation, as related to selection of the processing equipment, process materials flow schematics, and general plant layout, etc., is still a design work in progress at this time. It is anticipated the processing plant design would be finalized in approximately six (6) months before commencement of mining. At this time, it is anticipated the processing plant will be of a traditional design, and likely consist of the standard components that support the basic functions of raw materials receiving area; grizzly screen and primary crusher; primary screen tower; classifying tank and screw classifier for sand

Mr. Thompson S. Baker II, President
Florida Rock Division
Vulcan Materials Company
Page 3

recovery; and for other valuable fines reclamation. Processed materials will be delivered to end users by railroad or by trucks.

The finished grade elevation for the entire processing area will remain at the existing grade of +10 feet, NGVD. The outer perimeter for the entire mine site, including active and old mine pits, processing area, processing wastewater and stormwater retention systems, will be surrounded by a minimum 2 to 3-foot tall earth berm, that isolates the mining operation from the surrounding agricultural land. Inside the mine, the 150-acre aggregate processing area will also be surrounded by another internal 2-foot high perimeter berm.

Processing plant supply water will be withdrawn from the mine pit basin, or the temporary tailings settling pond initially, via three pumps with a total daily pumping capacity of 12 MGD. Process wastewater will be returned via two pumps, together also rated at 12 MGD, from the aggregate processing plant to a temporary tailings settling pond. The tailings settling pond can also be drained back into the active mine pit if necessary. Stormwater runoff collected within the processing area will initially be transferred to a separate temporary stormwater retention pond, via a separate stormwater pump. Seasonal high water table (SHWT) elevation for the project area is estimated at +7.5 feet, NGVD.

Tailings and Stormwater Retention Ponds Design - The process wastewater (tailings) will eventually be retained in an approximately 62.4-acre finished mine pit, after the initial mine pit excavation scheduled in Year 1 is completed. In the beginning stage, and before the new mine is excavated, process wastewater will initially be retained in a 10-acre temporary tailings retention and settling pond. This temporary tailings pond is designed so that the settled water can be continuously withdrawn (recycled) for plant usage at the downstream end, and the excess water in storage can be drained back into the active mine pit. The temporary tailings pond will be excavated by removing several feet of overburden soils, and be surrounded by a 2-foot high perimeter berm, to ensure it could provide a minimum one-day settling time for the returned process wastewater. In addition, depth to the water table at the temporary tailings pond will be maintained at least a foot below the existing +10.0 feet, NGVD, elevation, to ensure there will be adequate storage for rainfall under the 25-year/24-hour storm event at all time. The temporary tailings pond may also be excavated deeper if additional settling time is desired. Stormwater collected within the bermed processing area will be routed to a central point, and pumped to a separate 50-acre temporary stormwater retention pond, enhanced with a 3-foot tall perimeter berm. At the current retention pond bottom elevation of +10 feet, NGVD (with no excavation of overburden soils), the temporary stormwater pond is designed to provide a minimum 1.5 feet of freeboard, compared to the lowest perimeter berm elevation of +13.0 feet, NGVD, under a 25-year/24-hour storm event.

Once the initial 62.4-acre mine pit excavation is completed, both the 10-acre temporary tailings settling pond and 50-acre temporary stormwater retention pond will be removed, and all processing wastewater and stormwater will be routed to a central return-canal system that will


Mr. Thompson S. Baker II, President
Florida Rock Division
Vulcan Materials Company
Page 4

drain back into the finished mine pit. It is estimated that the 62.4-acre final tailings pond (the newly finished mine pit) will provide a minimum 0.84 and 2.84 feet of freeboard, compared respectively to the finished grade and perimeter berm elevations of +10.0 and +12 feet, NGVD, under a 25-year/24-hour storm event with the pond stage estimated at +9.16 feet, NGVD.

Miscellaneous - The applicant has included in their submittal a Best Management Practices (BMP), including several sections that were provided to conform with the specific BMP content requirements listed under the 660 General Permit rule. This General Permit does not require any new groundwater monitoring for activities in relation to aggregates processing, on grounds that no chemicals are being involved in the processing activities, nor are those activities likely to contribute to any new pollutants that are not already present in the ambient groundwater. We were informed by staffs in the Bureau of Mine Reclamation, that the ERP Permit, currently processed under application file no. 0282952-001, when issued, will definitely include a comprehensive groundwater monitoring program for the mine project. That monitoring program tentatively will consist of at least nine (9) monitoring wells, with five (5) of them located at the perimeter of the site, and the remaining four (4) located internally at the mine.

If you have questions please call Paul Sze at (561)681-6747 or email paul.sze@dep.state.fl.us.

Sincerely,


Linda A. Brien, P.G. 12/16/08
Date
Water Facilities Program Administrator
Southeast District

LB/FP/PS:sFLA599492-001-IWFGC.doc/660gp

Enclosure: 1. Sand and Limestone Mines General Permit Rule (Rule 62-660.804, F.A.C.)
2. General Conditions (Rule 62-4.540, F.A.C.)

Mr. Thompson S. Baker II, President
Florida Rock Division
Vulcan Materials Company
Page 5

FILING AND ACKNOWLEDGMENT

FILED, on this date, under section 120.52(7), Florida Statutes, with the designated Department Clerk, receipt of which is hereby acknowledged.

Allynda Moss 12/17/08
[Clerk] [Date]

CERTIFICATE OF SERVICE

The undersigned duly designated deputy agency clerk hereby certifies that this NOTICE OF GENERAL PERMIT (coverage letter) and all copies were transmitted before the close of business on December 17, 2008 to the listed persons.

cc: Todd Brown, DEP/WPB	email to: Todd.Brown@dep.state.fl.us
Gail Ridgeway, Florida Rock/Miami	email to: RidgewayG@VMCmail.com
Cheryl DeCrenza, LPG Environmental	email to: CDecrenza@LPGenvironmental.com
William Baker, MacVicar, Federico & Lambs	email to: Baker@MFL-inc.com

Rule 62-660.804, F.A.C., General Permit for Sand and Limestone Mines

(1) General Requirements. This rule authorizes a general permit for any person constructing or operating a sand or limestone mine designed and operated in accordance with this rule, provided that all of the conditions of this rule are met.

(a) This general permit shall be subject to the general conditions of Rule 62-4.540, F.A.C.

(b) A permittee for a sand or limestone mine general permit shall complete and submit to the Department DEP Form 62-660.900(6); Sand and Limestone Mine General Permit Notification Form, effective 1-2-91, which is adopted and incorporated herein by reference. This form may be obtained by contacting the appropriate district office or by writing the Department of Environmental Protection, Bureau of Water Facilities Planning and Regulation, 2600 Blair Stone Road, MS 3535, Tallahassee, Florida 32399-2400. The general permit will become effective 30 days after Department receipt of the notification form, unless the Department notifies the permittee that the project does not qualify for a general permit.

(c) This general permit does not relieve the permittee of the responsibility for obtaining a wetlands resource permit or any other permits required by the Department or any other federal, state, or local agency.

(d) This general permit is not valid for phosphate, peat, or heavy mineral mining operations.

(2) Definitions. Terms used in this rule shall have the meaning specified below.

(a) "Limestone mine" means any mining operation in which the primary resource mined is composed principally of calcium or magnesium carbonate, which includes shell and coquina, along with the associated processing facility, water control system, and settling ponds.

(b) "Pollutants" mean any product defined as a pollutant in Section 206.9925, F.S.

(c) "Sand mine" means an area of land from which sand is being mined, along with the associated processing facility, water control system, and settling ponds.

(3) Information Requirements.

(a) The permittee shall submit a site plan, at a suitable scale, which clearly identifies the following:

1. Locations of discharges and receiving waters for storm events exceeding a 25-year, 24-hour storm event.
2. Existing and proposed areas to be mined.
3. Existing and proposed process wastewater storage areas.

Sand and Limestone Mines General Permit Rule (cont'd)

- (b) The facility shall have an exemption from ground water monitoring before use of this general permit.
 - (c) The facility shall have a permit under Chapter 373, Florida Statutes, for the Management and Storage of Surface Waters (MSSW), a consumptive use permit, or one or more letters of exemption from the Water Management District or delegated agency that has jurisdiction over the facility.
 - (d) The facility shall have filed a notice of mining or intent to mine with the Department of Environmental Protection.
 - (e) A Best Management Practices (BMP) Plan shall be developed and implemented for the facility. The BMP Plan shall prevent or minimize the potential for the release of pollutants to waters of the state from ancillary activities, including material storage areas, plant site runoff, in-plant transfer, process and material handling areas, and loading and unloading operations through plant site runoff, spillage or leaks, or drainage from raw material storage. The BMP Plan shall be subject to the following requirements:
 - 1. The applicant shall maintain the BMP Plan at the facility and shall make the plan available upon request.
 - 2. The BMP Plan shall be documented in narrative form, and shall include any necessary plot plans, drawings, or maps. The BMP Plan shall be prepared and certified by a professional engineer registered in the State of Florida and shall be reviewed by the plant engineering staff and the plant manager.
 - 3. The BMP Plan shall identify areas, systems or components of the facility that have a potential for causing a release of pollutants to waters of the state, due to equipment failure, improper operation, or natural phenomena such as extreme rain or winds.
 - 4. The plan shall include a prediction of the direction, rate of flow, and total quantity of pollutants which could be discharged from the facility as a result of equipment failure, improper operation, or natural phenomena such as extreme rain or winds.
 - 5. The BMP Plan shall establish specific preventative and remedial procedures to prevent pollutants from reaching waters of the state in amounts which will cause violation of water quality standards.
 - 6. The BMP Plan shall be modified as necessary whenever there is a change at the facility which increases the potential for the release of pollutants to waters of the state.
- (4) Design Requirements.

Sand and Limestone Mines General Permit Rule (cont'd)

- (a) A professional engineer registered in the State of Florida shall certify that the sand or limestone mine is designed to recycle process wastewater and contain process wastewater and runoff from storm events up to a 25-year, 24-hour storm event.
 - (b) All earthen dams storing process wastewater and runoff above grade shall be constructed and maintained in accordance with good engineering practices.
 - (c) The mine shall be reasonably designed and maintained to prevent entry of unauthorized personnel.
- (5) Operational Requirements.
- (a) There shall be no discharge to surface waters except as a result of storms exceeding a 25-year, 24-hour storm event.
 - (b) No chemicals, except water conditioners or pH adjusters which have been approved by the Department as not adversely affecting the quality of the water contained in the mine, shall be added to the process water used for transporting, washing or processing of the sand or limestone.

Specific Authority 120.53(1), 403.814, FS.

Law Implemented 120.53(1), 120.55, 403.061, 403.087, 403.088, 403.814, FS.

History -- New 1-2-91, Amended 4-22-93, Formerly 17-660.804, Amended 12-24-96.

Rule 62-4.540, F.A.C. General Conditions for All General Permits

- (1) The terms, conditions, requirements, limitations, and restrictions set forth in this Part are "general permit conditions" and are binding upon the permittee. The conditions are enforceable under Chapter 403, F.S.
- (2) The general permit is valid only for the specific activity indicated. Any deviation from the specified activity and the conditions for undertaking that activity shall constitute a violation of the permit. The permittee is placed on notice that violation of the permit may result in suspension or revocation of the permittee's use of the general permit and may cause the Department to begin legal proceedings.
- (3) The general permit does not convey any vested rights or any exclusive privileges. It does not authorize any injury to public or private property nor any invasion of personal rights. It does not authorize any infringement of federal, state or local laws or regulations. It does not eliminate the necessity for obtaining any other federal, state or local permits that may be required, or allow the permittee to violate any more stringent standards established by federal or local law.
- (4) The general permit does not relieve the permittee from liability and penalties when the construction or operation of the permitted activity causes harm or injury to human health or welfare; causes harm or injury to animal, plant or aquatic life; or causes harm or injury to property. It does not allow the permittee to cause pollution in contravention of Florida Statutes and Department rules.
- (5) The general permit conveys no title to land or water, nor does it constitute State recognition or acknowledgment of title. It does not constitute authority for reclamation of submerged lands. Only the Board of Trustees of the Internal Improvement Trust Fund may express State opinion as to title.
- (6) No general permit shall authorize the use of state owned land without the prior consent of the Board of Trustees of the Internal Improvement Trust Fund pursuant to Section 253.77, F.S.
- (7) The general permit may be modified, suspended or revoked in accordance with Chapter 120, Florida Statutes, if the Secretary determines that there has been a violation of any of the terms or conditions of the permit, there has been a violation of state water quality standards or state air quality standards, or the permittee has submitted false, incomplete or inaccurate data or information.
- (8) The general permit shall not be transferred to a third party except pursuant to Rule 62-4.120, F.A.C.
- (9) The general permit authorizes construction and where applicable operation of the permitted facility.

General Conditions (cont'd)

- (10) The permittee agrees in using the general permit to make every reasonable effort to conduct the specific activity or construction authorized by the general permit in a manner that will minimize any adverse effects on adjacent property or on public use of the adjacent property, where applicable, and on the environment, including fish, wildlife, natural resources of the area, water quality or air quality.
- (11) The permittee agrees in using the general permit to allow a duly authorized representative of the Department access to the permitted facility or activity at reasonable times to inspect and test upon presentation of credentials or other documents as may be required by law to determine compliance with the permit and the Department rules.
- (12) The permittee agrees to maintain any permitted facility, or activity in good condition and in accordance with the plans submitted to the department under Rule 62-4.530(1), F.A.C.
- (13) A permittee's use of a general permit is limited to five years. However, the permittee may request continued use of the general permit by notifying the Department pursuant to Rule 62-4.530(1), F.A.C.. However, the permittee shall give notice of continued use of a general permit thirty days before it expires.

Specific Authority: 403.814(1), FS. Law Implemented: 253.123, 253.124, 403.061, 403.087, 403.088, 403.702-.73, 403.814, 403.851 - .864, FS. History: New 7-8-82. Amended 8-31-88. Formerly 17-4.540.

STATE OF CONNECTICUT
DEPARTMENT OF FINANCIAL SERVICES
DIVISION OF STATE FIRE MARSHAL
FIRE MARSHAL BOARD
CONSTRUCTION DIVISION

100 BANKERS BUILDING
100 STATE STREET
HARTFORD, CONNECTICUT 06103
TELEPHONE: (860) 424-2000
FAX: (860) 424-2001
WWW.DFS.CT.GOV

EXHIBIT
C

4.0.27

RESOLUTION NO. R-2008- 0708

RESOLUTION APPROVING ZONING APPLICATION CA-2007-205
(CONTROL NO. 2007-054)
CLASS A CONDITIONAL USE
APPLICATION OF FLORIDA ROCK INDUSTRIES, INC, U S SUGAR CORP
BY CASEY, CIKLIN, LUBITZ, AGENT
(LAKE HARBOR QUARRY)

WHEREAS, the Board of County Commissioners, as the governing body of Palm Beach County, Florida, pursuant to the authority vested in Chapter 163 and Chapter 125, Florida Statutes, is authorized and empowered to consider applications relating to zoning; and

WHEREAS, the Board of County Commissioners, pursuant to Article 2 (Development Review Process) of the Palm Beach County Unified Land Development Code (Ordinance 2008-067, as amended) is authorized and empowered to consider, approve, approve with conditions or deny Class A Conditional Uses; and

WHEREAS, the notice and hearing requirements, as provided for in Article 2 of the Palm Beach County Unified Land Development Code have been satisfied; and

WHEREAS, Zoning Application CA-2007-205 was presented to the Board of County Commissioners at a public hearing conducted on April 24, 2008; and

WHEREAS, the Board of County Commissioners has considered the evidence and testimony presented by the applicant and other interested parties, the recommendations of the various county review agencies, and the recommendations of the Zoning Commission; and

WHEREAS, this approval is subject to Article 2.E (Monitoring) of the Palm Beach County Unified Land Development Code (ULDC) and other provisions requiring that development commence in a timely manner; and

WHEREAS, the Board of County Commissioners has considered the findings in the staff report and the following findings of fact:

1. This Class A Conditional Use is consistent with the purposes, goals, objectives and policies of the Palm Beach County Comprehensive Plan, including standards for building and structural intensities and densities, and intensities of use.
2. This Class A Conditional Use complies with relevant and appropriate portions of Article 4.B (Supplementary Use Standards) of the Palm Beach County Unified Land Development Code. This Class A Conditional Use also meets applicable local land development regulations. This Class A Conditional Use, with conditions as adopted, complies with standards imposed on it by all other applicable provisions of the Palm Beach County Unified Land Development Code for use, layout, function, and general development characteristics.
3. This Class A Conditional Use, with conditions as adopted, is compatible as defined in the Palm Beach County Unified Land Development Code and generally consistent with the uses and character of the land surrounding and in the vicinity of the land proposed for development.
4. The proposed design, with conditions as adopted, minimizes adverse effects, including visual impact and intensity of the proposed use on adjacent lands.
5. This Class A Conditional Use, with conditions as adopted, minimizes environmental impacts, including but not limited to water, air, stormwater management, wildlife, vegetation, wetlands and the natural functioning of the



environment.

6. This Class A Conditional Use, with conditions as adopted, will result in logical, timely and orderly development patterns.
7. This Class A Conditional Use, with conditions as adopted, is consistent with applicable Neighborhood Plans.
8. This Class A Conditional Use has a concurrency determination and complies with Article 2.F (Concurrency - Adequate Public Facility Standards) of the ULDC.
9. The applicant has demonstrated sufficient justification that there are changed circumstances, which would require the Class A Conditional Use.

WHEREAS, Article 2.A.1.K.3.b (Action by BCC) of the Palm Beach County Unified Land Development Code requires that the action of the Board of County Commissioners be adopted by resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, that Zoning Application CA-2007-205, the application of Florida Rock Industries, Inc, U S Sugar Corp, by Casey, Gidin, Lubitz, agent, for a Class A Conditional Use to allow a Type III B Excavation in the Agricultural Production Zoning District, on a parcel of land legally described in EXHIBIT A, attached hereto and made a part hereof, and generally located as shown on a vicinity sketch as indicated in EXHIBIT B, attached hereto and made a part hereof, was approved on April 24, 2008, subject to the conditions of approval described in EXHIBIT C, attached hereto and made a part hereof.

Commissioner Aaronson moved for the approval of the Resolution.

The motion was seconded by Commissioner Robert Kanjan, upon being put to a vote, the vote was as follows:

Addis L. Greene, Chairperson	-	Absent
Jeff Koons, Vice Chair	-	Aye
Karen T. Marcus	-	Naye
Robert J. Kanjan	-	Aye
Mary McCarty	-	Aye
Burt Aaronson	-	Naye
Jess F. Santamaría	-	

The Chairperson thereupon declared that the resolution was duly passed and adopted on April 24, 2008.


Filed with the Clerk of the Board of County Commissioners on 24th day of April, 2008.

This resolution is effective when filed with the Clerk of the Board of County Commissioners.

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

PALM BEACH COUNTY, FLORIDA
BY ITS BOARD OF COUNTY
COMMISSIONERS

BY: 
COUNTY ATTORNEY

SHARON R. BOCK
CLERK & COMPTROLLER
BY: 
DEPUTY CLERK

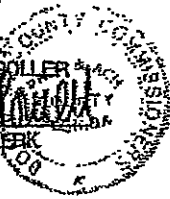


EXHIBIT A
LEGAL DESCRIPTION

PARCEL A:

All of Sections 23, 24, 25 and 36, Township 44 South, Range 35 East, Palm Beach County, Florida.

Together with Tracts 1 through 126, OKEECHOBEE FRUITLANDS COMPANY SUBDIVISION of Section 26, Township 44 south, Range 35 East, according to the plat thereof recorded in Plat book 1, page 154, Public Records of Palm Beach County, Florida.

And together with Tracts 1 through 32, Section 35, Township 44 South, Range 35 East, according to the plat entitled "Lands Offered for Sale in the Everglades by the Trustees of the Internal Improvement Fund, Tallahassee, Florida, December 1, 1916."

And together with Sections 19, 20, 29 and 32, Township 44 South, Range 36 East, Palm Beach County, Florida.

PARCEL B

Sections 30 and 31, Township 44 South, Range 36 East, Palm Beach County, Florida.

~~LESS AND NOT INCLUDING: THE right-of-way of the Bolles Canal (L-21) as recorded in Deed Book 887, Page 236 and in Deed Book 1059, Page 517 and the right-of-way Map of the Bolles Canal (L-21) according to the survey executed by GCY, Inc. No. 02-1010-16-01, sheets 1 through 7, dated 11-20-04.~~

EXHIBIT B
VICINITY SKETCH

EXHIBIT C

CONDITIONS OF APPROVAL

ALL PETITIONS

1. Development of the site is limited to the uses and site design as approved by the Board of County Commissioners. The approved site plan is dated May 25, 2007. All modifications must be approved by the Board of County Commissioners unless the proposed changes are required to meet conditions of approval or are in accordance with the ULDC. (ONGOING: ZONING - Zoning)
2. Reconfiguration of the site plan necessary to comply with State or Federal permitting requirements or relocation of accessory concrete asphalt or batch plants shall be permitted subject to DRC approval. (DRC: ZONING - Zoning)

ACCESS

1. The site shall be limited to one access point on to County Road CR-827 (Boles Canal Road), which may be relocated upon implementation of the ancillary parcel Number 1 or ancillary Parcel Number 2. (ONGOING: CODE ENF - Zoning)

BLASTING REGULATIONS

1. The property owner shall comply with the following regulations:

METHOD	IMPACT
Processing of material	At Identified Rock Plant Sites pursuant to DEP Lime Rock Processing Permit
Storage of material	On site pursuant to plans
Hauling Operation	24 Hours 7 Days a week by Rail Only
Time of blast	Between 10 am 5 pm daily, excluding Saturday, Sunday and legal holidays
Blasting schedule	Subject to State Fire Marshall standards
Established noise and vibration	Subject to State Fire Marshall Standards
Compatibility Study by Consultant	N/A - Property surrounded by applicant-owned property and sugar cane fields. All required setbacks and separation provided as required by ULDC. (ONGOING: CODE ENF - Zoning)

DRI

1. No subphase shall exceed one-hundred (100) acres of land per year. (ONGOING: CODE ENF - Zoning)

ENGINEERING

1. No raw material mined from the site shall be removed by way of trucks. (ONGOING: CODE ENF - Zoning)

2. CORRIDOR CONVEYANCE OF ROAD RIGHT OF WAY

The property owner shall provide to the Palm Beach County Land Development Division a road right of way deed and all associated documents as required by the County Engineer for Boles Canal Road 200 feet north of the ultimate north right of way of the L-21 Canal.

All right of way deed(s) and associated documents shall be provided within 90 days of determination of need for the right of way by the County Engineer that the right of way is required.

Right of way conveyance shall be along the entire frontage (approximately 4 miles) and shall be free of all encroachments and encumbrances. Property owner shall provide Palm Beach County with sufficient documentation acceptable to the Right of Way Acquisition Section to ensure that the property is free of all encumbrances and encroachments. The Grantor further warrants that the property being conveyed to Palm Beach County meets all appropriate and applicable environmental agency requirements. In the event of a determination of contamination which requires remediation or clean up on the property now owned by the Grantor, the Grantor agrees to hold the Grantee harmless and shall be responsible for all costs of such clean up, including but not limited to, all applicable permit fees, Engineering or other expert witness fees including Attorney's fees as well as the actual cost of the clean up. Thoroughfare Plan Road right-of-way conveyances shall be consistent with Palm Beach County's Thoroughfare Right of Way Identification Map and shall include where appropriate provisions for Expanded Intersection Details and "Corner Clips." The Property Owner shall not record these required deeds or related documents. After final acceptance, Palm Beach County shall record all appropriate deeds and documents. (ONGOING:ENG-Eng)

3. The property owner shall provide a temporary roadway construction easement along Bolles Canal Road to Palm Beach County. Construction by the applicant within this easement shall conform to all Palm Beach County Standards and Codes. The Property Owner shall not record these required easements or related documents. After final acceptance of the location, legal sketches and dedication documents, Palm Beach County shall record all appropriate deeds and documents. Easement(s) shall be provided within 90 days of determination by the County Engineer that the temporary roadway construction is required (ONGOING: ENG-Eng)
4. The property owner shall provide to Palm Beach County sufficient road drainage easement(s) through the project's internal drainage system, as required by and approved by the County Engineer, to provide legal positive outfall for runoff from those segments of Bolles Canal Road along the property frontage; and a maximum 800 feet of these adjacent roadway(s). The limits of this additional 800 feet of drainage shall be determined by the County Engineer. Said easements shall be no less than 20 feet in width. Portions of such system not included within roadways or waterways dedicated for drainage purposes will be specifically encumbered by said minimum 20-foot drainage easement from the point of origin, to the point of legal positive outfall. The drainage system within the project shall have sufficient retention/detention, Compensating storage within this projects retention system as required by all permitting agencies, and conveyance capacity to meet the storm water discharge and treatment requirements of Palm Beach County and the applicable Drainage District, as well as the South Florida Water Management District, for the combined runoff from the project to accommodate the ultimate Thoroughfare Plan Road Section(s) of the included segment.

If required and approved by the County Engineer the property owner shall construct within the proposed drainage easements a minimum of 24 inch closed piping system and appropriate wingwall or other structures as required by and approved by the County Engineer. Elevation and location of the entire drainage system shall be approved by the County Engineer. Any and all excess fill material from excavation by Palm Beach County within said easements shall become the property of Palm Beach County which at its discretion may use this fill material. The Property Owner shall not record these required easements or related documents. After final acceptance of the location, legal sketches and dedication documents, Palm Beach County shall record all appropriate deeds

and documents.

Easement(s) shall be shown on the final site plan and shall be provided within 90 days of determination by the County Engineer that the drainage easements are required (ONGOING:ENG-Eng)

5. The Property owner shall construct:

a. left turn lane west approach on Bolles Canal Road at the projects facility entrance;

b. left turn lane west approach on Bolles Canal Road at US 27;

c. right turn lane north approach on US 27 at Bolles Canal Road ; and,

d. This construction shall be concurrent with the paving and drainage improvements for the site. Any and all costs associated with the construction shall be paid by the property owner. These costs shall include, but are not limited to, utility relocations and acquisition of any additional required right-of-way.

e. Permits required by Palm Beach County for Bolles Canal Road improvements and from the Florida Department of Transportation for the US 27 improvements shall be obtained prior to the issuance of the Building Permit of the office/shop area for Year one improvements as shown on the applicants' site plan (BLDG PERMIT; MONITORING-Eng)

f. Construction shall be completed prior to the issuance of the first Certificate of Completion of the office/shop area or Year one improvements as shown on the applicants' site plan. (MONITORING: ENG- Eng)

6. SIGNALIZATION REQUIREMENTS

a. The Property Owner shall fund all costs of signal installation if warranted as determined by the County Engineer and the Florida Department at Bolles Canal Road and US 27. Signalization shall be a mast arm structure installation. The cost of signalization shall also include all design costs and any required utility relocation. (ONGOING: ENG-Eng).

ENVIRONMENTAL

1. Prior to final plan approval by the Development Review Officer (DRO), the property owner and/or applicant shall provide a Phase I or Phase II Audit, for all portions of this application that may have stored or utilized regulated substances currently or have in the past. ERM shall determine whether a Phase I or Phase II Audit is deemed most appropriate. (DRO: ERM-ERM)

2. The property owner shall report to the Environmental Resources Management on January 31, 2009 and on an annual basis verifying that there will be no off site discharge from the property during a 25 year, three day storm event, either during or post construction into adjacent canal system. (DATE: MONITORING - ERM)

3. If the proposed excavation exceeds the depth standards of Article 4.D, the property owner shall provide request for a waiver pursuant to the requirements of Article 4.D.9 of the Unified Land Development Code prior to final approval by the Development Review Officer (DRO). (DRO: ERM-ERM)

4. Prior to final approval by the Development Review Officer (DRO), the property owner shall verify to Environmental Resources Management the complete separation of the farm field agricultural activities from the industrial mining/ excavation activities. (DRO: ERM-ERM)

5. Prior to final approval by the Development Review Officer (DRO), the property owner shall obtain an Environmental Resource Permit from the Florida Department of Environmental Protection. (DRO: ERM-ERM)

6. Commencing on April 30th, 2008, a natural resource extraction fee shall be provided annually for this mining operation from the operators of the mine or its successors. The basis for the extraction fee shall be calculated at \$.05 per ton of material sold from the mine. The tonnage shall be calculated at the end of each calendar year with the information provided to ERM by January 31 of the succeeding year with the payment of \$.05 per ton provided by February 15. To receive these funds, ERM shall set up a separate account for natural resource extraction fees.

The funds shall be used for environmental enhancement activities, which include, but are not limited to: Purchase land; restore land to a more natural state; and, enhance the flora and fauna of already preserved natural areas. The natural resources extraction fee shall escalate annually at the rate prescribed by Section 375.41492(5) as amended, of the Florida Statutes. In the event the legislature of the State of Florida or the County imposes, by legislation, ordinance, or other means, an extraction fee, tax, or charge, then this natural resources extraction fee shall be reduced by the same amount. (DATE: MONITORING-ERM)

7. During the Notice of Intent to Construct (NIC) application process, the property owner and or the operator of the mining facility shall provide a Chloride Monitoring Plan acceptable to ERM that includes exploratory monitoring, monitoring for lakes, and daily monitoring during construction.

a. Should chloride levels exceed 250 ppm in any one sample during exploratory monitoring, the operator shall submit to ERM within 90 days for review and approval, a plan to address the exceedance. The Chloride Management Plan may include increased monitoring prior to excavation to isolate areas with exceedances, not mining in the affected cell, not mining certain areas previously approved for mining or not mining certain areas to the depth previously approved.

b. As part of the Notice of Intent to Construct Approval (NIC), the operator is to monitor each lake to ensure that chlorides do not exceed 250 ppm. In the event that the monitoring data for the lake as evaluated by a mixing analysis, exceeds 250 ppm, the operator shall submit for ERM's review and approval within 90 days a remediation plan for the affected lake. The mixing analysis is to provide for reasonable assurances and shall be based on a protocol acceptable to ERM. Possible remedial actions may include, but is not limited to, additional monitoring at new locations, more frequent monitoring, restrictions on mining depth or on mining locations, cessation of mining in the affected lake or suspension or revocation of the NIC with restoration. The remediation plan shall include provisions for lowering the chloride level in the affected cell and/or isolating the affected cell from surface and subsurface movement of chlorides. (ONGOING: ERM-ERM)

8. If the DEP permit is not issued within 3 years (May 1, 2011) of the BCC approval the application shall be scheduled for a BCC hearing for consideration. (DATE: MONITORING/ERM-ERM)

HEALTH

1. Prior to final site plan approval by the Development Review Officer, the property owner shall apply for and obtain a construction permit for an onsite sewage treatment and disposal system, in accordance with Chapter 64E-6, FAC, and Palm Beach County ECR-1 (DRO: HEALTH-Health)

2. Prior to issuance of the first building permit, the property owner shall submit an application and engineering plans for approval of an onsite drinking water system by the Palm Beach County Health Department, in accordance with Chapter 64E-8, FAC, and Palm Beach County ECR-II (BLDG PERMIT; MONITORING-Health)
3. The property owner shall utilize Best Management Practices to minimize breeding of mosquitoes in the surface water management system. Management of the system shall include control methods that minimize the need for aerial spraying and reduce potential impacts of mosquito control activities on the surrounding natural areas. (ONGOING: CODE ENF-Health)

LANDSCAPING

1. The property owner shall submit a Landscape Plan or an Alternative Landscape Plan to the Landscape Section for review and approval. The Plans shall be prepared in compliance with all landscape related conditions of approval as contained herein:
 - a. the Landscape Plan shall be submitted within 90 days of determination of need for the road right of way for Bolles Canal Road, (200 feet north of the ultimate north right of way of the L-21 Canal) by the County Engineer, that the right of way is required. (ONGOING: ENG/Zoning - Landscape)
2. In addition to the code requirements landscaping along the south property line abutting the Bolles Canal Road in sections 31, 32, 35, and 36, shall be upgraded to include:
 - a. a minimum fifty (50) foot wide landscape buffer strip. No width reduction or easement encroachment shall be permitted;
 - b. a continuous minimum six (6) feet high berm;
 - c. double the quantity of the plant materials (trees and shrubs) required per ULDC; plant materials shall be designed to be installed in a naturalistic and meandering pattern; and,
 - d. the Landscape Plan shall be submitted within 90 days of determination of need for the road right of way for Bolles Canal Road, (200 feet north of the ultimate north right of way of the ultimate north right of way of the L-21 Canal) by
 - e. the County Engineer, that the right of way is required. (ONGOING: ENG/Zoning - Landscape)

LANDSCAPING ALONG THE PROPERTY LINE FOR ANCILLARY USE PARCELS NUMBER 1 AND ANCILLARY PARCEL NUMBER 2

3. The landscape buffer width along the above referenced parcels, except where other more restrictive conditions apply, shall be upgraded to include:
 - a. a minimum ten (10) foot wide compatibility landscape buffer strip. No width reduction or easement encroachment shall be permitted;
 - b. one (1) palm or pine for each for each thirty (30) linear feet of the property line with a maximum spacing of sixty (60) feet between clusters; and,
 - c. perimeter landscaping shall be installed within 90 days of a determination that the agricultural uses adjacent to the ancillary use parcels no longer exist, a landscape buffer shall be installed between the ancillary use parcels and the new surrounding non-agriculture use. (ONGOING: Zoning - Landscape)

PERIMETER RECLAMATION AREA

4. Prior to final site plan approval by the Development Review Officer (DRO) the applicant shall provide a final reclamation plan with a 180-foot setback and upland buffer along the south, east and west property lines and a 250-foot setback and upland buffer along the north property line. (DRO: Zoning-Landscape)

MONITORING - ZONING

1. The Excavation Activity Monitoring Report required by Section 7.6.H.5.a. of the ULDC shall be submitted to the Zoning Division and Environmental Resources Management Department on or before June 1 annually. (DATE: ZONING/ERM - Zoning)
2. The property owner shall submit a five (5) year monitoring report setting forth the ongoing status of the project to ensure consistency with the Board of County Commissioners' approval, in a form to be determined by the Zoning Director. The report shall include the last five (5) year site activities, with the first such report due January 31st, 2012, and again every five years subsequent. The Zoning Director shall prepare a report to the BCC and, if deemed necessary, will schedule an Administrative Inquiry. (DATE: MONITORING - Zoning)
3. The Maintenance and Monitoring Report of Reclaimed Areas required by Article 4.D.8.E of the ULDC shall be submitted to the Environmental Resources Management Division starting on January 31, 2011 and submitted annually thereafter until completion of the excavation activity and reclamation of the site. The report shall include an "As Built" survey for the lake being excavated at the same scale as the approved site plan, delineating the excavation boundaries of the excavation for the current year and previous year activity to verify compliance with the DRI Thresholds and Mining Phasing Plan. (DATE: MONITORING - ERM/Zoning)

MONITORING - PLANNING

4. Should any archaeological artifacts be uncovered during development or soil disturbing activity, excavation shall halt, the County Archaeologist contacted and allowed to comment on the significance of the find as provided for in Article 9 of the ULDC. (ONGOING: PLANNING-Planning)
5. All potential areas containing Calcrete shall be identified, with the findings provided to the County Archaeologist, prior to Final Site Plan approval. (DRO: PLANNING-Planning)
6. All areas with identified Calcrete shall adhere to the specific conditions outlined within the Certificate To Dig issued by the County Archaeologist. (ONGOING: PLANNING-Planning)
7. The property owner shall obtain the services of a professional archaeologist to monitor the mechanical removal of muck soils for any areas within phases identified in the approved Certificate to Dig. The County Archaeologist is to be notified in writing within two working days prior to removal of muck soils in those identified areas. (ONGOING: PLANNING-Planning)
8. Prior to issuance of building permits or commencement of excavation activities, the property owner shall provide a copy of applicable governmental permits associated with the proposed mining activities. (BLDGPERMIT: PLANNING-Planning)

9. Starting the year excavation activities commence, within 30 days of January 31st of that year, and every year thereafter, the property owner shall submit an annual report to the Planning Director and Development Review Officer (DRO) that shall demonstrate compliance with the requirements of Future Land Use Element (FLUE) Policy 2.3-e.3 regarding permitted mining and excavation activities within the Agricultural Production (AP) Future Land Use (FLU) designation. The document shall contain the following as applicable:

- a) Status of each phase of the operation.
- b) Total tonnage sold from the site and associated tonnage fee paid to ERM.
- c) Documentation as to FDOT certification of quarry status and that the intended use of the material complies with the County requirements.
- d) Status of compliance with conditions contained within Resolution
- e) Status of compliance with SFWMD and DEP permits. Copies of all modifications to permits shall be submitted in their entirety to PBC Planning, Land Development and ERM. (ONGOING: PLANNING-Planning)

10. Upon completion of each phase submit the following documents where applicable:

a) Should the reclaimed mined area be used for agricultural activities associated with flood control or irrigation submit an executed binding agreement, or other such documentation as approved by the County Attorney's office, between the property owner and the lessee describing how the use of the area will be for agricultural purposes and submit a copy of the modified SFWMD Water Resource Permit demonstrating the use of the area for agricultural activities associated with flood control and or irrigation.

b) Should the mined reclamation area be used, with consent of the property owner, for water management projects associated with ecosystem restoration, regional water supply, flood protection or other such projects in direct association with the SFWMD, ACOE, DEP or other applicable governmental agency, submit either a copy of an executed binding agreement with the subsequent agency illustrating the use of the reclaimed areas within the proposed project or a copy of the deed transferring the reclaimed area to the subsequent agency. (ONGOING: MONITORING-Planning)

11. Should any permits associated with the requested mining operations be found in violation, revoked, suspended or otherwise nullified, the county shall be notified within 15 working days. Should compliance not be achieved or a consent/settlement agreement not be executed within 120 working days of notification, the Development Order shall be brought to the Board of County Commissioners for further review at which time they may require operations to cease or take other appropriate action. (ONGOING-MONITORING-Planning)

PHASING

1. A maximum of one (1) phase shall be in active excavation at any time. (ONGOING: CODE ENF-Zoning)

USE LIMITATIONS

1. All uses shall not exceed 50 dBA as measured in the Performance standards of Article 5.E.3. of the ULDC. Noise shall be measured from the residential property line closest to the area under excavation. (ONGOING: CODE ENF-Zoning)

2. Stock piles of rock or other material shall not exceed a maximum height of hundred (100) feet from the undisturbed average finished grade. (ONGOING: CODE ENF - Zoning)

COMPLIANCE

1. In granting this approval, the Board of County Commissioners relied upon the oral and written representations of the petitioner both on the record and as part of the application process. Deviations from or violation of these representations shall cause the approval to be presented to the Zoning Commission for review under the compliance condition of this approval. (ONGOING: MONITORING - Zoning)
2. Failure to comply with any of the conditions of approval for the subject property at any time may result in:
 - a. The issuance of a stop work order; the issuance of a cease and desist order; the denial or revocation of a building permit; the denial or revocation of a Certificate of Occupancy; the denial of any other permit, license or approval to any developer, owner, lessee, or user of the subject property; the revocation of any other permit, license or approval from any developer, owner, lessee, or user of the subject property; revocation of any concurrency; and/or
 - b. The revocation of the Official Map Amendment, Conditional Use, Requested Use, Development Order Amendment, and/or any other zoning approval; and/or
 - c. A requirement of the development to conform with the standards of the ULDC at the time of the finding of non-compliance, or the addition or modification of conditions reasonably related to the failure to comply with existing conditions; and/or
 - d. Referral to code enforcement; and/or
 - e. Imposition of entitlement density or intensity.

Staff may be directed by the Executive Director of PZ&B or the Code Enforcement Special Master to schedule a Status Report before the body which approved the Conditional Use, Type II Variance, Development Order Amendment, and/or other zoning approval, in accordance with the provisions of Section 2.E of the ULDC, in response to any flagrant violation and/or continued violation of any condition of approval.

Departmental administrative actions made pursuant to this condition may be appealed as provided in the Unified Land Development Code (ULDC), as amended. Appeals of any revocation of a Conditional Use, Type II Variance, Development Order Amendment or other actions based on a Zoning Commission decision shall be by petition for writ of certiorari to the Circuit Court, Appellate Division, 15th Judicial Circuit of Florida. (ONGOING: MONITORING - Zoning)

This resolution is effective when filed with the Clerk of the Board of County Commissioners.

DEPARTMENT OF ENVIRONMENTAL PROTECTION
STATE OF FLORIDA

In the Matter of an Application for an Environmental Resource Permit by:

APPLICANT

J. Michael O'Berry
Florida Rock Industries, Inc.
Post Office 4667
Jacksonville, Florida 32201

PROJECT NAME

Lake Harbor Quarry
File No. 0282952-001
County: Palm Beach

AGENT

Cheryl DeCrenza
LPG Environmental & Permitting Services, Inc.
1174 Camp Avenue
Mount Dora, Florida 32757

**NOTICE OF INTENT TO ISSUE
ENVIRONMENTAL RESOURCE PERMIT**

The Department of Environmental Protection gives notice of its intent to issue an environmental resource permit under Part IV of Chapter 373, Florida Statutes (F.S.), and Title 62, Florida Administrative Code (F.A.C.) (draft copy of permit attached). Issuance of the environmental resource permit also constitutes certification of compliance with state water quality standards, pursuant to Section 404 of the Clean Water Act, 33 U.S.C. 1344. Where applicable (such as activities in coastal counties), issuance of the environmental resource permit also constitutes a finding of consistency with Florida's Coastal Zone Management Program, as required by Section 307 of the Coastal Management Act.

I. DESCRIPTION OF THE PROPOSED ACTIVITY

The applicant, Florida Rock Industries, Inc., applied on September 24, 2007, to the Department of Environmental Protection for an environmental resource permit (ERP) to construct a surface water management system for a new limestone mine on 7,629.19 acres owned by United States Sugar Corporation. Presently the project area is involved in the production of sugarcane.

Approximately 112.83 acres of agricultural ditches that are waters of the state will be dredged or filled by construction. The overlying organic soil (muck) will be removed from the rock for use on specific active agricultural fields within the mine lease area and stored onsite once agricultural activities have ceased. The mine will remove commercial-grade limestone from 7,036.23 acres of the site over the estimated 70-year active life of the mine. The limestone will be extracted using explosives and draglines. Pumping to lower the water table is not part of this project. The depth of extraction will be no more than 30 feet below the top of the base rock.

EXHIBIT

E

Within the western three sections, the depth of extraction will be no more than 25 feet below the top of the base rock. Approximately 0.41-acre of impervious area will be constructed in association with the office and parking area. The project includes the construction of processing facilities and railroad loading facilities within the system. The limestone product will be trucked from the on-site processing area to the on-site railroad for shipping off site. Trucks will not be used to ship the rock from the project area.

The mining will be conducted within a surface water management system that can contain a 25-year, 72-hour storm. Construction will result in two lakes, a 2,232.58-acre lake north of the railroad and a 4,729.66-acre lake south of the railroad. The lakes will be isolated from the agricultural operations during mining and after reclamation. Perimeter berms and sloping associated with the excavation will occupy approximately 112.92 acres. The post mining uplands will include 143.74 acres of railroad and 410.29 acres of setback from the property line.

The project is located in the Everglades Agriculture Area (EAA) four miles south of Lake Okeechobee and three miles west of US highway 27 accessed via the Bolles Canal Road (CR 827) and encompasses Sections 23 through 26, 35, 36, Township 44 South, Range 35 East and Sections 19, 20, 29 through 32, Township 44 South, Range 36 East, Palm Beach County, Florida.

II. AUTHORITY FOR REVIEW

The Department has permitting authority under Part IV of Chapter 373, F.S., and Chapters 62-4, 62-382, 62-330 and 62-343, F.A.C. The activity is not exempt from the requirement to obtain an environmental resource permit. Pursuant to Operating Agreements executed between the Department and the water management districts, as referenced in Chapter 62-113, F.A.C., the Department is responsible for reviewing this application.

III. BACKGROUND

This permit will authorize the construction of a surface water management system for a new limestone mine. The mine site will have office, parking and processing areas to be constructed. The existing railroad and right-of-way will be upgraded and utilized for the transport of the limestone product to market.

The project area is located within a region known as the Everglades Agricultural Area (EAA). The EAA consists of 700,000 acres where water levels are actively managed primarily for farmland. It includes approximately 27 percent of the area that was the historic Everglades. Because of the rich organic soils and favorable climate, agricultural production can occur throughout the year. The major crop is sugarcane, but winter vegetables are also grown. Water management is facilitated by the primary system of canals, levees, control structures and pumps constructed by the Corps of Engineers as part of the Central and Southern Florida Flood Control Project that was authorized in 1948, and was constructed from 1950 through the 1970's. The

canal network is currently operated and maintained by the South Florida Water Management District (SFWMD). The flat slope (average 0.2 feet per mile) and historically high water table has required intensive water management for generations to facilitate farming. Active pumping is required to prevent flooding of the crops during the wet season (May to October) and active irrigation is required during the dry season (November to April) to maintain soil moisture.

Department staff visited the site on August 2, 2007, January 31, 2008 and March 12, 2008. Although the area was historically wetlands, current site conditions exhibited none of the characteristics of permanent wetlands. As there are no wetlands in the project area, no wetland mitigation is required. Other surface waters within the project area consist of approximately 112.83 acres of agricultural ditches that are routinely redredged as needed to facilitate crop irrigation and drainage. The remaining land cover consists of 7,356.59 acres of sugarcane and 7.76 acres of railroad. The rail facilities are used by the landowner to move harvested crop to processing facilities.

The historical and current use of the project area is as a sugarcane fields. Water elevations in the region have been actively managed to facilitate sugarcane production. Typical annual water elevations are maintained lower than what native Florida wetlands would require. According to topographic maps, the 1929 land surface elevations were 11 and 12 feet above mean sea level. A current survey found elevations between 8.4 and 10.4 feet National Geodetic Vertical Datum (NGVD) evidencing two and half feet or more of subsidence. It was observed along the cut ditches that the remaining muck layer above the cap rock averages less than three feet thick.

Groundwater quality tests were conducted on five monitor wells in May and July of 2007. The tests found pH values ranging from 6.72 to 7.43. Conductivities ranged from 605 μ mhos at the surface increasing with depth to a maximum of 7,990 μ mhos at 55 to 60 feet below surface. Chloride values also increased with depth from 56 to 2,100 mg/L from five to 60 feet below the land surface. Chloride levels recorded for July exceeded the secondary drinking water standard of 250 mg/L at depths exceeding 35 feet in three of the wells. All wells showed chloride concentrations less than 250 mg/L within the strata 30 feet below the top of rock and shallower.

The overlying muck will be removed from the rock stratum for use on specified agricultural fields within the mine lease area, but outside of the containment system for the mining operation. Muck will not be discarded within the mine pits. The muck will only be applied within the northeast corner of the mine lease. Once agriculture has ceased within the mine lease, a muck storage containment system will be constructed in the northeast corner of the mine lease.

The mine proposes removal of commercial grade limestone from 7,036.23 acres of the site over the estimated 70-year active life of the mine. The limestone will be excavated from the pit using explosives and draglines. Dewatering to lower the water table is not part of this project. The depth of extraction will be to a maximum depth of 30 feet below the top of the rock. The maximum depth in sections 23, 26 and 35 of Township 44 South, Range 35 East shall be limited

to a depth of 25 feet below the top of the rock. For each phase, prior to the start of blasting operations, water samples will be collected to the expected extraction depth. Extraction will not occur within strata where the chloride concentrations are at or above 250 mg/L.

Approximately 0.41-acre of impervious area will be constructed for buildings and other support facilities. The limestone product will be trucked from the on-site processing area to the existing on-site railroad for shipping off site. The railroad facility, which was constructed to ship sugarcane, will be upgraded to accommodate rock loading facilities. Trucks will not be used to ship rock from the mine.

Berms will be constructed to surround the entirety of each lake to isolate mining operations from agricultural areas. All berms and other engineered structures shall be constructed from extracted sand and rock as shown in the attached signed and sealed plans/figures/drawings. The applicant will be required to comply with best management practices to control pollution at all times. A signed and sealed surface water hydrology/stormwater analysis, to ensure that no adverse impacts will occur, was submitted as part of the application, that report included pre- and post-development drainage maps as well as computer modeling analysis for the 25-year, 72-hour storm.

In the post-reclamation condition, two large open waterbodies (2,232.58 acres and 4,729.66 acres) will exist on site. The lakes will not connect to offsite wetlands or other surface waters below the 25-year, 24-hour storm. The remaining land cover will consist of grassed upland buffers, landward side and crests of berms and the waterward side of berms that is armored with riprap. Uplands and littoral zones must meet the reclamation standards of Chapter 62C-36, F.A.C. The railroad facilities are expected to remain.

IV. BASIS FOR ISSUANCE

This project is not expected to cause adverse water quantity impacts to receiving waters and adjacent lands. During mining, the 25-year, 72-hour storm will be contained within the system. The stormwater containment system will expand as mining operations expand. The system will be able to contain approximately 348,059 acre-feet at its maximum size. The project is designed to direct stormwater to on-site mine pits, except for the separate containment systems for the use and storage of petroleum and hazardous materials. Existing surface water storage and conveyance capabilities are not expected to be adversely impacted. The water management system for the agricultural operation will remain separate from the system for the mining operations and will meet the requirements of a separate SFWMD permit.

The project is not expected to adversely impact the maintenance of surface or ground water levels or surface water flows established in pursuant to water management district rule. Existing surface water storage and conveyance capabilities are not expected to be adversely impacted. Surface and groundwater levels surrounding the project area are actively managed to facilitate

surface water storage and conveyance capabilities are not expected to be adversely impacted. Surface and groundwater levels surrounding the project area are actively managed to facilitate farming operations. The project will not block or impede the flow of surface waters outside of the surface water containment system for the mining operations. Pumping will not be used to lower the water levels in the active mine pit. Water pumped for the processing or movement of material will be contained within mine pits. Set backs between the proposed mine pits and surface waters outside of the mine lease area are sufficient to prevent adverse hydrologic impacts. Recharge ditches and hydrologic monitoring will not be necessary to protect offsite groundwater levels on adjacent properties.

The construction and final design, as presented in the application, is expected to be capable, based on generally accepted engineering and scientific principles, of being performed and of functioning as proposed. Design plans and hydrologic calculations were signed and sealed by an appropriate registered professional as required by law. Given the long fetches of the resulting lakes, a wave run-up analysis was conducted. This analysis concluded that for a worst-case condition, the design significant wave height for the North reservoir was 17 feet and for the South reservoir was 18 feet above the control water level. These wave heights were considered in the design for the final berms in order to contain lake surface water during the design storm. A mine excavation slope stability study was conducted to determine a safe setback distance of the mine cut from the railroad separating the two reservoirs. It was determined that the 150-foot setback from the centerline of the railroad provided a more than ample safety factor.

No adverse flooding to on-site or off-site property is expected. A portion of the project is within the 100-year flood plains of the Miami and Bolles Canals. The Bolles and Miami Canals are works of the District established pursuant to Section 373.086, F.S. The project will avoid these two major canals and is not expected to cause adverse impacts. The project includes a setback from the Bolles Canal to accommodate the potential to upgrade CR 827 and widen canal. The project will not block or impede the flow of surface waters outside of the surface water containment system for the mining operations.

The proposed design was reviewed by SFWMD staff who determined that this project will not interfere with existing or proposed projects that are part of Comprehensive Everglades Restoration Project (CERP). Specifically, proposed improvements to the Bolles Canal will involve deepening and/or widening of the existing canal section to provide additional conveyance capacity. A Basis of Design Report (pre-preliminary design) has been prepared for this project, but has not been finalized. The proposed canal design does not require additional canal right-of-way to the north (within the mining site). The northeast corner of the Lake Harbor project (most of Section 20 and the northeast half of Section 19) is located within the area designated for the Lake Okechobee Aquifer Storage and Recovery (ASR) project. The ASR would provide the potential for underground storage of excess water during wet periods for later recovery when water supply is needed. This CERP project is still in the planning phase and therefore, the potential impact of this site on this project is undetermined; however, according to the planning

team, there appears to be a low probability of an ASR site in the vicinity of this project. Based on the information available at this time for both the Bolles Canal and ASR, the proposed project will not foreclose options for future implementation of these CERP projects.

A copy of the proposed project area was sent to the Division of Historical Resources (DOHR), Department of State. DOHR recommended a survey within the project area. A cultural resource reconnaissance survey was conducted during January 2007 at the request of DOHR. No prehistoric or historic artifacts with significant research potential were recovered from the site. The results of the survey concluded that the proposed project will have no effect on cultural resources listed or eligible for listing in the National Register of Historic Places. The Division of Historic Resources has determined that because of the location of the project and site conditions the project is not expected to adversely affect significant historical and archaeological resources under the provisions of Section 267.061, F.S.

The applicant has the financial, legal and administrative capability of ensuring that the activity will be undertaken in accordance with the terms and conditions of the permit. The applicant will be operating under a mine lease covering the project area. The lease provides that the applicant will complete permit requirements and reclamation. After reclamation is complete, the applicant will be responsible for the long-term maintenance and security of the system until such time the permit is transferred to the landowner or another responsible entity.

There are no waterways that can be considered sovereign submerged lands within the project area. There are no established special basin and/or geographic area criteria applicable to the project area.

The proposed construction will not adversely affect the quality of receiving waters such that the water quality standards set forth in chapters 62-3, 62-4, 62-302, 62-520, 62-522 and 62-559, F.A.C., including any antidegradation provisions of sections 62-4.242 (1)(a) and (b), 62-4.242(2) and (3), and 62-302.300, F.A.C. The applicant also provided reasonable assurance that the secondary impacts from the project, and the intended or reasonable uses of the site, will not cause violations of water quality standards. The primary method of mining will include blasting. Explosives using fuel oil are not to be used. The mining and the processing of materials does not use chemicals that could violate surface or groundwater quality standards. Only Department approved pH adjusters and water conditioners may be used in the process water. Wash water and rock tailings will be deposited into the mine pits. Equipment maintenance areas, and petroleum and hazardous materials storage areas shall be within separate systems that can contain stormwater to the volumetric requirements of Section 5.2 of the Basis of Review for Environmental Resource Permit Applications within the South Florida Water Management District, to prevent direct discharge to the mine pits.

Mining will be limited to depths where native water quality for chlorides is less than 250 mg/L. Water quality will be evaluated prior to mining in each phase through an exploratory

drilling program with water quality obtained at 10-foot intervals to the expected mining depth. In no case will mining extend to depths greater than 25 feet (below limestone surface) in Sections 23, 26 and 35 and no greater than 30 feet below the limestone surface throughout the remainder of the project. During extraction operations water quality will be monitored within each mine pit for chlorides, sulfates, phosphorous, total dissolved solids, iron, arsenic, cadmium, copper, dieldrin, dichloro-diphenyl-dichloro-ethane (DDD), dichloro-diphenyl-dichloro-ethylene (DDE), selenium, toxaphene, gross alpha, radium 226 and 228. To ensure that no adverse impacts to the potable water supply occur, nine groundwater monitoring wells will be installed as depicted on the attached Sheet I. Prior to the start of mining and during mining, the applicant will collect groundwater samples. The baseline sampling parameters will include chlorides, sulfates, phosphorous, total dissolved solids, iron, arsenic, cadmium, copper, selenium, dieldrin, gross alpha, radium 226 and 228 at all wells (shallow and deep). Thereafter, sampling shall be conducted on an annual basis at all wells for phosphorous, iron, arsenic, cadmium, copper, selenium, dieldrin, gross alpha, radium 226 and 228. Sampling for sulfates, total dissolved solids, chlorides shall be conducted on a quarterly basis.

The project is designed to contain up to the 25-year, 72-hour design storm. Sediment and turbidity controls will be in place during the construction of the containment system in the vicinity of surface waters. There are no Outstanding Florida Waters, or Outstanding National Resource Waters in the immediate vicinity of this project. The reclaimed lakes will not be connected to off-site wetlands or other surface waters below the 25-year, 24-hour storm. The lakes will be entirely owned by one corporate entity and will not be considered waters of the state.

Muck removed from the limestone stratum to provide access for mining will be managed onsite to protect water quality. Phase I and II Environmental Site Assessments were conducted within lands owned by U.S. Sugar Corporation for the South Florida Water Management District. This included the mining lease area. Muck from the project area was collected for laboratory analysis to determine whether target analytes were present at concentrations exceeding cleanup target levels or guidance criteria for human health risk and ecological risk. The results of the laboratory analysis were used to classify lands into three Human Health Risk Categories. These categories range from Category 1 where no corrective acts are required for unrestricted use, to Category 3 where human health risks associated with these areas may exceed acceptable levels, depending upon the intensity of the proposed future land use. Muck will not be deposited within the mine pits, used in construction, or removed from the mine lease area. Muck removed from the limestone stratum will not be deposited within Sections 23, 26 and 35 which are predominately Category 1 areas nearest to the Miami Canal. Muck removed from the limestone stratum will be deposited for use in agricultural operations only within the north half of Sections 19, 20, and 24. These half sections are predominately Category 2 and 3 areas and are farthest from the Hollis Canal. When agricultural operations cease within the mine lease, the permittee shall cease muck removal and provide an application for the construction of a muck storage system within the north half of Sections 19, 20, and 24. Muck removal will not resume until the

Florida Rock Industries, Inc.

Lake Harbor Quarry

File No. 0282952-001

Page 8

muck storage system is constructed. The mining of the muck storage and containment area, while authorized by the permit, shall not commence until the permittee obtains approval through a permit modification, and all other approvals necessary for alternative disposal or use of the muck outside of the mining lease area.

The public health, safety or welfare or the property of others is not expected to be adversely affected. This project area does not include waterways suitable for navigation. The permit includes the use of explosives to fracture the target limestone material. Blasting will be conducted in accordance with rules adopted by the Department of Insurance to implement Section 552.30, F.S. Blasting will be no closer than 180 feet from the Bolles Canal waterway.

This project is not located in, adjacent to or in close proximity to Class II waters, or located in Class II waters or Class III waters classified by the Department as approved, restricted or conditionally restricted for shellfish harvesting, as set forth or incorporated by reference in Chapter 62R-7, F.A.C. The construction of vertical seawalls in estuaries or lagoons is not part of this project.

The applicant is not known to be in violation of any Department rules adopted pursuant to sections 403.91 through 403.929, F.S., (1984 Supplement), as amended, which the Department has the responsibility to enforce pursuant to delegation, or any Department rules adopted pursuant to Part IV, Chapter 373, F.S., relating to any other project or activity.

The project was evaluated to qualitatively assess the occurrence and potential for listed species. The project area has been utilized for decades primarily for sugarcane production. No native Florida habitats remain within the project area. The Florida Natural Areas Inventory database was reviewed to determine if any previous sightings of listed species have been recorded on site. Review of the data showed that there have been no recordings of federally listed plant species and eight recordings of listed animal species (four mammals, three birds and one reptile). Utilizing methodologies and guidelines established by the Florida Fish and Wildlife Conservation Commission, vehicular transects were utilized for a qualitative survey of designated flora and fauna on the property. No federally listed plant species were observed. Five listed animal species have the potential to occur within the project boundaries. The American alligator (*Alligator mississippiensis*) and wading birds such as white ibis (*Eudocimus albus*), little blue heron (*Egretta caerulea*), snowy egret (*Egretta thula*), and wood stork (*Myateria americana*) which were observed during the survey. The nearest wood stork rookeries locations are in the Loxahatchee National Wildlife Refuge. All of the listed species are using the site for foraging only. The project area has been an agricultural operation for many years. The Fish and Wildlife Conservation Commission does not classify ditch features as habitat when they are only being used for roosting or foraging activity. Under the State's Endangered Species Act, habitat "take" only applies to previously developed properties in the case of nests and burrows. This project is not expected to adversely impact the value of functions provided to fish and wildlife, and listed species or their habitats. The agricultural ditches on adjacent lands will provide

Florida Rock Industries, Inc.
Lake Harbor Quarry
File No. 0282952-001
Page 9

foraging area for displaced individuals. The final lakes will replace the foraging area lost by the removal of the ditches. The applicant also provided reasonable assurance that the secondary impacts from the project, and the intended or reasonable uses of the site, will not cause loss of habitat functions.

Through the above and based on the general and specific conditions to the permit, the applicant has provided affirmative reasonable assurance that the construction and operation of the activity, considering the direct, secondary and cumulative impacts, will comply with the provisions of Part IV of Chapter 373, F.S., and the rules adopted thereunder, including the Conditions for Issuance or Additional Conditions for Issuance of an environmental resource permit, pursuant to Part IV of Chapter 373, F.S., Chapters 62-330, and rules 40E-4.301 and 40E-4.302, F.A.C. The construction and operation of the activity will not result in violations of water quality standards and will not degrade ambient water quality in Outstanding Florida Waters, pursuant to rule 62-4.242, F.A.C.

V. PUBLICATION OF NOTICE

The Department has determined that the proposed activity, because of its size, potential effect on the environment or the public, controversial nature, or location, is likely to have a heightened public concern or likelihood of request for administrative proceedings. Therefore, pursuant to Subsection 373.413(4), F.S., and paragraph 62-343.090(2)(k), F.A.C., you (the applicant) are required to publish at your own expense the enclosed Notice of Intent to Issue. The notice is required to be published one time within 30 days, in the legal ad section of a newspaper of general circulation in the area affected. For the purpose of this rule, "publication in a newspaper of general circulation in the area affected" means publication in a newspaper meeting the requirements of 50.011 and 50.031, F.S., in the county where the activity is to take place. The applicant shall provide proof of publication to:

Department of Environmental Protection
Bureau of Mining and Minerals Regulation
2051 East Paul Dirac Drive
Tallahassee, Florida 32310-3760

The proof of publication shall be provided to the above address within seven days of publication. Failure to publish the notice and provide proof of publication within the allotted time shall be grounds for denial of the permit.

VI. RIGHTS OF AFFECTED PARTIES

Under this intent to issue, the permit is hereby granted subject to the applicant's compliance with any requirement in this intent to publish notice of this intent in a newspaper of general circulation and to provide proof of such publication in accordance with section 50.051 of the

Florida Rock Industries, Inc.

Lake Harbor Quarry

File No. 0282952-001

Page 10

Florida Statutes. This action is final and effective on the date filed with the Clerk of the Department unless a sufficient petition for an administrative hearing is timely filed under sections 120.569 and 120.57 of the Florida Statutes as provided below. If a sufficient petition for an administrative hearing is timely filed, this intent to issue automatically becomes only proposed agency action on the application, subject to the result of the administrative review process. Therefore, on the filing of a timely and sufficient petition, this action will not be final and effective until further order of the Department. When proof of publication is provided, if required by this intent, and if a sufficient petition is not timely filed, the permit will be issued as a ministerial action. Because an administrative hearing may result in the reversal or substantial modification of this action, the applicant is advised not to commence construction or other activities until the deadlines noted below, for filing a petition for an administrative hearing or request for an extension of time, have expired and until the permit has been executed and delivered. Mediation is not available.

A person whose substantial interests are affected by the Department's action may petition for an administrative proceeding (hearing) under sections 120.569 and 120.57 of the Florida Statutes. The petition must contain the information set forth below and must be filed (received by the clerk) in the Office of General Counsel of the Department at 3900 Commonwealth Boulevard, Mail Station 35, Tallahassee, Florida 32399-3000.

Under rule 62-110.106(4) of the Florida Administrative Code, a person whose substantial interests are affected by the Department's action may also request an extension of time to file a petition for an administrative hearing. The Department may, for good cause shown, grant the request for an extension of time. Requests for extension of time must be filed with the Office of General Counsel of the Department at 3900 Commonwealth Boulevard, Mail Station 35, Tallahassee, Florida 32399-3000, before the applicable deadline. A timely request for extension of time shall toll the running of the time period for filing a petition until the request is acted upon. If a request is filed late, the Department may still grant it upon a motion by the requesting party showing that the failure to file a request for an extension of time before the deadline was the result of excusable neglect.

If a timely and sufficient petition for an administrative hearing is filed, other persons whose substantial interests will be affected by the outcome of the administrative process have the right to petition to intervene in the proceeding. Intervention will be permitted only at the discretion of the presiding officer upon the filing of a motion in compliance with rule 28-106.205 of the Florida Administrative Code.

In accordance with rule 62-110.106(3), petitions for an administrative hearing by the applicant must be filed within 21 days of receipt of this written notice. Petitions filed by any persons other than the applicant, and other than those entitled to written notice under subsection 120.60(3) of the Florida Statutes must be filed within 21 days of publication of the notice or within 21 days of receipt of the written notice, whichever occurs first. Under subsection

120.60(3) of the Florida Statutes, however, any person who has asked the Department for notice of agency action may file a petition within 21 days of receipt of such notice, regardless of the date of publication.

The petitioner shall mail a copy of the petition to the applicant at the address indicated above at the time of filing. The failure of any person to file a petition for an administrative hearing within the appropriate time period shall constitute a waiver of that person's right to request an administrative determination (hearing) under sections 120.569 and 120.57 of the Florida Statutes.

A petition that disputes the material facts on which the Department's action is based must contain the following information:

- (a) The name and address of each agency affected and each agency's file or identification number, if known;
- (b) The name, address, and telephone number of the petitioner; the name, address, and telephone number of the petitioner's representative, if any, which shall be the address for service purposes during the course of the proceeding; and an explanation of how the petitioner's substantial interests are or will be affected by the agency determination;
- (c) A statement of when and how the petitioner received notice of the agency decision;
- (d) A statement of all disputed issues of material fact. If there are none, the petition must so indicate;
- (e) A concise statement of the ultimate facts alleged, including the specific facts that the petitioner contends warrant reversal or modification of the agency's proposed action;
- (f) A statement of the specific rules or statutes that the petitioner contends require reversal or modification of the agency's proposed action; and
- (g) A statement of the relief sought by the petitioner, stating precisely the action that the petitioner wishes the agency to take with respect to the agency's proposed action.

A petition that does not dispute the material facts on which the Department's action is based shall state that no such facts are in dispute and otherwise shall contain the same information as set forth above, as required by rule 28-106.301. Under paragraphs 120.569(2)(c) and (d) of the Florida Statutes, a petition for administrative hearing must be dismissed by the agency if the petition does not substantially comply with the above requirements or is untimely filed.

Florida Rock Industries, Inc.
Lake Harbor Quarry
File No. 0282952-001
Page 12

The Department has determined that the proposed activity, because of its size, potential effect on the environment or the public, controversial nature, or location, is likely to have a heightened public concern or likelihood of request for administrative proceedings. Therefore, pursuant to subsection 373.413(4), F.S., and rules 62-110.106(5), (7), (9), and (11) and 62-343.090(2)(k), F.A.C., you (the applicant) are required to publish at your own expense the enclosed Notice of Intent to Issue. The notice is required to be published one time, within 30 days of the date of entry of this intent, in the legal advertisements section of a newspaper of general circulation meeting the requirements of sections 50.011 and 50.031, F.S., in the county where the activity is to take place. Within seven days of publication, the applicant must provide proof of publication in the form prescribed by section 50.051, F.S., to:

Department of Environmental Protection
Bureau of Mining and Minerals Regulation
2051 East Paul Dirac Drive
Tallahassee, Florida 32310-3760

Failure to publish the notice and provide proof of publication within the allotted time shall result in denial of the permit.

This intent to issue constitutes an order of the Department. Subject to the provisions of paragraph 120.68(7)(a) of the Florida Statutes, which may require a remand for an administrative hearing, the applicant has the right to seek judicial review of the order under section 120.68 of the Florida Statutes, by the filing of a notice of appeal under rule 9.110 of the Florida Rules of Appellate Procedure with the Clerk of the Department in the Office of General Counsel, 3900 Commonwealth Boulevard, Mail Station 35, Tallahassee, Florida, 32399-3000, and by filing a copy of the notice of appeal accompanied by the applicable filing fees with the appropriate district court of appeal. The notice of appeal must be filed within 30 days from the date when the order is filed with the Clerk of the Department. The applicant, or any party within the meaning of paragraph 373.114(1)(a) or section 373.4275 of the Florida Statutes, may also seek appellate review of the order before the Land and Water Adjudicatory Commission under subsection 373.114(1) or section 373.4275 of the Florida Statutes. Requests for review before the Land and Water Adjudicatory Commission must be filed with the Secretary of the Commission and served on the Department within 20 days from the date when the order is filed with the Clerk of the Department.

Florida Rock Industries, Inc.
Lake Harbor Quarry
File No. 0282952-001
Page 12

Executed in Tallahassee, Florida.

STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL PROTECTION

Richard W. Cantrell

Richard W. Cantrell, Deputy Director
Division of Water Resource Management
2051 East Paul Dirac Drive
Tallahassee, Florida 32310-3760
850/488-8217

CERTIFICATE OF SERVICE

The undersigned duly designated deputy clerk hereby certifies that this permit,
including all copies, was mailed before the
close of business on December 22, 2008, to the above listed persons.

FILING AND ACKNOWLEDGMENT

FILED, on this date, pursuant to 120.52, Florida Statutes,
with the designated Department Clerk, receipt of which is hereby acknowledged.

Arlene Acosta 12/22/08
Clerk Date

Copies furnished to:

US Army Corps of Engineers, Jacksonville
US Army Corps of Engineers, Palm Beach Gardens, Leah Oberlin
DEP Restoration Planning and Permitting, Ernest Marks
DEP Restoration Planning and Permitting, Tracey C. Robb
DEP, Southeast District, Environmental Resource Permitting, Jennifer K. Smith
DEP, Southeast District, Industrial Wastewater Section, Tim Powell
DEP Southeast District Office, CERP, William C. Kennedy
South Florida Water Management District, ERP
South Florida Water Management District, WUP
South Florida Water Management District, Planning
South Florida Water Management District, CERP
SFWMD, Water Resources Management, Anthony Waterhouse

Florida Rock Industries, Inc.
Lake Harbor Quarry
File No. 0282952-001
Page 14

SFWMD, Everglades Restoration, Land Acquisition, Ruth Clements
SFWMD, Everglades Restoration, Lawrence Gerry
Palm Beach County, DERM, Attn: Robert Robbins
Palm Beach County, Water Resources Manager, Ken Todd
Loxahatchee National Wildlife Refuge, Cindy Fury
DCA, Div of Community Planning, CZM, D. Ray Eubanks
Fish and Wildlife Conservation Commission, Tim King
Fish and Wildlife Conservation Commission, IW Corbett WMA
Everglades Law Center, Ft. Lauderdale, Richard Grosso
Everglades Law Center, N. Palm Beach, Jason Totou
On behalf of 1000 Friends of Florida, Florida Wildlife Federation, Sierra Club
Everglades Foundation, Thomas Van Lent
Arthur R. Marshall Foundation, John Arthur Marshall
US Sugar Corporation, 111 Ponce De Leon Avenue, Clewiston, Florida 33440
Attn: Edward Almeida
Rense Reed, 818 US Highway 1, Suite 8, N. Palm Beach, FL 33408
Gunster, Yoakley & Stewart, PA, 450 Las Olas Boulevard, Ft Lauderdale, FL 33301-4206
Attn: Daniel Mackler
File

Prepared by David Adams et al.

68 pages attached.



SOUTH FLORIDA WATER MANAGEMENT DISTRICT

December 18, 2008

Steve Lamb, P.G.
Mac Vicar, Federico & Lamb, Inc.
4524 Gun Club Road, Suite 201
West Palm Beach, FL 33415

Dear Mr. Lamb:

Subject: Water Use Permit Application No. 080908-13
Project: Lake Harbor Quarry
County: Palm Beach

A review of the above referenced application indicates that no additional information will be required in order to complete the evaluation, pursuant to Rule 40E-1.603, Florida Administrative Code (F.A.C.).

However, please be advised that due to the inseparable nature between Water Use and Environmental Resource, the Water Use application will not be considered complete until the application to obtain an Environmental Resource Permit is complete.

Electronic versions of applicable statutes, rules, basis of review, permit applications, and forms may be found at the following internet address: <http://www.sfwmd.gov/orq/reg/>

If changes to the ERP are required that affect the Water Use Permit please advise me. Should you have any questions please call me at 561-682-6900. Thank you for your cooperation in this matter.

Sincerely,

Nexhip Maska, P. G.
Senior Hydrogeologist
Water Use Regulation Division
Water Supply Department
South Florida Water Management District

cc: Florida Rock Industries, Vulcan Materials

EXHIBIT
F

CASEY CIKLIN LUBITZ MARTENS & O'CONNELL

A PARTNERSHIP INCLUDING PROFESSIONAL ASSOCIATIONS

LINDA DICKHAUS AGNANT, P.A.
 BRUCE G. ALEXANDER, P.A.
 JERALD S. BEER, P.A.
 JOHN D. BOYKIN, P.A.
 JESSICA M. CALLOW
 PATRICK J. CASEY, P.A.
 RICHARD R. CHAVES, P.A.
 PATRICIA M. CHRISTIANSEN, P.A.
 ALAN J. CIKLIN, P.A.
 ROBERT L. CRANE, P.A.
 RONALD E. CRESCENZO, P.A.
 JEFFREY M. GARBER, P.A.
 ASHLEY N. GIROLAMO
 JASON S. HASELKORN, P.A.
 CHRISTINE M. HOKE

W. JAY HUNSTON, III
 RICHARD A. JAROLEM, P.A.
 BRIAN B. JOSLYN, P.A.
 GREGORY S. KING, P.A.
 CHARLES A. LUBITZ, P.A.
 JASON C. MAIER
 RICHARD L. MARTENS, P.A.
 BRIAN M. O'CONNELL, P.A.
 PHIL D. O'CONNELL, P.A.
 CHARLES L. PICKETT
 NICHOLAS J. PURVIS
 MATTHEW N. THIBAUT, P.A.
 DEAN VEGGSEN, P.A.
 GARY WALK, P.A.
 JOHN R. YOUNG, P.A.

PHILIP D. O'CONNELL, SR. (1907-1987)

OF COUNSEL

MICHAEL J. MONCHICK, P.A.
 MICHAEL J. KENNEDY, P.A.
 JOHN L. RENSEN

515 NORTH FLAGLER DRIVE, STE. 1900
 WEST PALM BEACH, FLORIDA 33401-4343
 TELEPHONE: (561) 832-5900
 FACSIMILE: (561) 833-4209

December 17, 2008

VIA FACSIMILE AND FEDERAL EXPRESS

Malcolm S. Wade, Jr.
 Senior Vice President, Sugar Operations
 United States Sugar Corporation
 111 Ponce de Leon Avenue
 Clewiston, Florida 33440

Malcolm S. Wade, Jr.
 Vice President
 SBG Farms, Inc.
 111 Ponce de Leon Avenue
 Clewiston, FL 33440

**Re: Request for Extension of Permitting Period/
 Florida Rock Industries/U.S. Sugar and SBG Farms, Inc.**

Dear Mr. Wade:

As you know, I represent Florida Rock Industries, and pursuant to the Mining and Excavation Lease Agreement ("the Lease"), Section 6 thereof deals with the permits that must be obtained to allow Florida Rock to construct facilities and equipment and engage in mining activities. Section 6.2, entitled Deadline to File For and Obtain Approvals provides for a "Permitting Period" and extension thereof. The Permitting Period ends December 31, 2008 and further provides:

If Florida Rock does not obtain all necessary Approvals by the end of the Permitting Period, then this Agreement shall automatically terminate; provided, however, that if Florida Rock is diligently attempting to obtain all approvals, and in U.S. Sugar's reasonable opinion that all Approvals will likely be obtained, then U.S. Sugar will extend the Permitting Period until such time that U.S. Sugar believes that it is unlikely that Approvals will be obtained; provided, however, that such extension shall not exceed a period of eighteen (18) months.

Florida Rock has diligently pursued the Approvals but requires an extension of the Permitting Period.

EXHIBIT**G**

December 17, 2008

Page 2

Florida Rock submitted their application for zoning approval of the mine in February 2007. It was certified by Palm Beach County in June 2007, which allows it to proceed to public hearings for approval. As you know, the County delayed the consideration of all mining applications first because of a Comprehensive Plan Amendment which required a mining study to analyze the entire permitting process for mines in Palm Beach County and a 24-month moratorium which was adopted by the Board of County Commissioners and transmitted to the Department of Community Affairs on July 19, 2006. The Comprehensive Plan Amendment was challenged by Rinker Materials, and although the moratorium was never implemented, no mining applications were proceeding during this time period. There were then a number of workshop meetings to discuss the mining study and then a Mining Summit was held by the Board of County Commissioners. Zoning applications were not being considered during this period. On April 24, 2008, Florida Rock was able to have their mining application heard by the Board of County Commissioners, and it was approved after a lengthy and contentious hearing.

The next step in the zoning process is to obtain final DRO (site plan) approval. On behalf of Florida Rock Industries, we commenced that process immediately after considerable correspondence and a pre-application meeting. The application was submitted June 18, 2008. The first round of comments were issued July 11, 2008. In excess of 20 issues were raised, and Florida Rock has been resolving those issues on a steady basis. As of the December 10, 2008 DRO meeting, only 3 issues are left. One is to assure the County that there is legal positive outfall from the site (proof of which has been submitted), two, bonding for certain Palm Beach County requirements, and finally, receipt of the Environmental Resource Permit (ERP) from the Bureau of Mining and Minerals Regulation (BMMR) is a condition of final DRO approval.

The application for the ERP was submitted to the BMMR on September 21, 2007. You will note that this was seven months prior to zoning approval. The first Request for Additional Information (RAI) was received October 24, 2007. Florida Rock responded. Additional RAI's were received on January 20, 2008 and March 21, 2008. After each RAI, the responses were promptly made. A meeting was held with BMMR staff and Florida Rock's team in Tallahassee on September 7, 2008 to review any outstanding issues. The final response to the last RAI was submitted on September 17, 2008. On October 16, 2008, Florida Rock was advised that their ERP application was officially deemed complete. On December 9, 2008, a telephone conference was held with BMMR staff to discuss permit conditions. We currently anticipate receiving the ERP Notice of Intent to issue on or before December 22, 2008. As soon as I receive the Notice of Intent, I will notify you.

It is clear that the application process has been considerably prolonged based on the announced sale of the U.S. Sugar property to the South Florida Water Management District. Two lawsuits challenging the mine's zoning approval have already been filed by environmental groups (Florida Rock is aggressively defending those lawsuits), and their attorney has requested a copy of the Notice of Intent when it is issued. You have previously received several notices invoking the Force Majeure provision of the Lease, including the most recent one wherein the lead negotiator in the U.S. Sugar sale, DEP Director Michael Sole, has requested a review of the Florida Rock mining application.

December 17, 2008
Page 3

The State Fire Marshall has issued the Construction Mining Permit, and a Septic System Permit has been issued for the construction of the office facility on the subject property.

Based on extensive field reviews by its experts, Florida Rock is convinced that the property at issue qualifies as prior converted cropland and pursuant to 33 CFR 328(a)(8), is excluded from the Corps jurisdiction under regulatory definition of "water of the United States," and as such does not require a Section 404 permit for any of the proposed mining activities. Florida Rock has submitted to the United States Army Corps of Engineers, and there is currently pending, a request for an Approved Jurisdictional Determination, which we have every reason to believe will be granted. The State of Florida has rendered its opinion that the lands at issue are not considered wetlands or waters of the State of Florida.

For your information, to date, Florida Rock has expended in excess of \$1.4 million to secure the Approvals necessary to enable it to go forward with this project.

In conclusion, Florida Rock has diligently pursued their approvals. But for circumstances beyond their control, such as the slowdown in approval processing by the County and the extended period of time for issuance of the ERP caused by the extra scrutiny created by environmental group challenges and the U.S. Sugar sale, the permits would have been issued. The Notice of Intent to issue the ERP is scheduled to be signed by December 22nd, but a challenge is likely. Final DRO approval is subject to receipt of the ERP. The approvals are likely to be obtained, and Florida Rock requests an extension of the approval period of up to eighteen months to complete the approval process.

Sincerely,



Alan J. Calkin

AJC/cmm

cc: Legal Department, United States Sugar Corporation (via facsimile and Federal Express)
Scott McCaleb (via e-mail)
Harri Haikala (via e-mail)

UNITED STATES SUGAR CORPORATION

111 Ponce De Leon Avenue, Clearwater, Florida 33440
Telephone: (863) 902-2418 Facsimile: (863) 902-2120

*Via Facsimile: (561) 833-4209
Original will follow by Overnight Courier*

Friday, December 19, 2008

Alan J. Ciklin, Esq.
Casey Ciklin Lubitz Martens & O'Connell
515 North Flagler Drive, Suite 1900
West Palm Beach, FL 33401

Re: Mining and Excavation Lease Agreement ("Lease") by and between US Sugar Corporation and SBG Farms, Inc. (collectively, "US Sugar"), and Florida Rock Industries, Inc., ("Florida Rock")

Dear Mr. Ciklin:

This letter is delivered in response to your letter dated December 17, 2008 to Malcolm S. Wade, Jr. regarding the Lease. All capitalized terms not otherwise defined herein shall have the meaning given to such terms in the Lease.

As noted in your letter, the Lease provides that the Lease will automatically terminate on December 31, 2008 unless . . . "*in U.S. Sugar's reasonable opinion, all Approvals will likely be obtained, then U.S. Sugar will extend the Permitting Period until such time that U.S. Sugar believes that it is unlikely that Approvals will be obtained.*" Your letter makes it clear that the Approvals will not be obtained by December 31, 2008 and the cited provision from Section 6.2 of the Lease is therefore applicable.

As you know, and as previously stated in my letter to you dated August 12, 2008, the time and risk associated with the governmental approval and permitting process were clearly known at the time the Lease was negotiated and signed. The parties recognized that neither party could guarantee that all required permits would be obtained and, instead, negotiated Sections 6.2 and 21.2 of the Lease to include an outside date by which all Approvals would be obtained or the Lease would terminate.

It is also important to note that during the Permitting Period Florida Rock has had, at all times, the unilateral right to terminate the Lease. At the end of the Permitting Period (i.e. December 31, 2008): (a) the Lease automatically terminates (unless the Permitting Period is specifically extended by US Sugar); (b) US Sugar has a right to elect to extend or not to extend the

EXHIBIT

H

Alan J. Cikin, Esq.
Friday, December 19, 2008
Page 2 of 3

the Permitting Period; and (c) US Sugar obtains the unilateral right to terminate the Lease pursuant to Section 21.2 of the Lease (which is the companion termination right to Florida Rock's unilateral right in Section 6.2 of the Lease). All of these dates, termination provisions, and termination rights were specifically discussed and bargained for when the Lease was negotiated between the parties.

US Sugar will consider your request to extend the Permitting Period once we have had an opportunity to review the supporting documentation referenced in your December 17th letter. Towards that end, the background information is directly pertinent to US Sugar's review of the approval process and determination of whether or not to extend the Permitting Period.

Accordingly, please deliver to me a copy of all of your files related to the applications for permits and approvals from (i) the United States Army Corps of Engineers, (ii) South Florida Water Management District, (iii) Palm Beach County Department of Planning, Zoning, and Building, (iii) Florida Department of Environmental Regulation, and (iv) any other governmental agency related to the proposed mining on the subject property. Please include, without limitation, any correspondence, notes of meetings, minutes, electronic mails, diary entries, telephone logs or messages, attendance lists, data, analysis, memoranda, notes, official staff report(s) or recommendations, or other documents, papers, letters, maps, books, tapes, photographs, films, sound recordings, data processing software, or other material, regardless of the physical form, characteristics, or means of transmission, made or received whether kept in hard copy or in electronic format, whether final or in draft form.

This letter shall not be deemed to be waiver of any rights or remedies of US Sugar at law, in equity or under the Lease as a result of the failure of Florida Rock to obtain the Approvals on or before December 31, 2008, all of which are reserved hereby.

Once we have had the opportunity to review the forgoing information, we will apprise you of our decision as to whether the Permitting Period will be extended pursuant to the terms of the Lease. If we fail to receive the above information, or if we cannot review and respond to such information prior to December 31st, then the Lease shall terminate in accordance with its terms. We stand ready to review any information provided either this week or next week, but given the holiday season we cannot guaranty a response prior to December 31st.

Alan J. Ciklin, Esq.
Friday, December 19, 2008
Page 3 of 3

Please provide us the requested information as soon as possible.

Very Truly Yours,



Edward Almeida, Esq.
Vice President, Legal Affairs
Signed in absence to avoid delay

cc: Florida Rock Industries, Inc.
155 East 21st Street
Jacksonville, Florida 32206
Attn: President

VIA OVERNIGHT COURIER

Florida Rock Industries, Inc.
155 East 21st Street
Jacksonville, Florida 32206
Attn: Legal Department

VIA OVERNIGHT COURIER

Scott L. McCaleb
Florida Rock Industries, Inc.
155 East 21st Street
Jacksonville, Florida 32206

VIA OVERNIGHT COURIER

Malcolm S. Wade, Jr.



SOUTH FLORIDA WATER MANAGEMENT DISTRICT

December 17, 2008

VIA FACSIMILE - 863-983-4804

Mr. Robert H. Buker, Jr.
President & CEO,
United States Sugar Corporation
111 Ponce de Leon Avenue
Clewiston, FL 33440

Dear Mr. Buker:

Yesterday, the South Florida Water Management District Governing Board ("Governing Board") voted to approve an amendment to the Agreement for Sale and Purchase ("Agreement"), which you transmitted to the South Florida Water Management District ("District") on December 8, 2008. The amendment to subsection 7.a. of the Agreement approved by the Governing Board reads as follows:

- x.v.iii. BUYER, in its sole and absolute discretion, is satisfied that the amount of debt and debt service necessary to finance this transaction shall not adversely affect the capacity of BUYER to continue to fulfill its statutory, contractual, and other legal obligations and mandates based on its historical and projected operations.

The Agreement also includes the revisions to the Agreement and Schedules and Exhibits provided by your counsel on December 12, 14 and 16, 2008.

In addition, please be advised that the sense of the Governing Board is that the lease dated October 1, 2008 between United States Sugar Corporation, SBG Farms and Florida Rock Industries, Inc. (a/k/a Vulcan Materials Company), will not be accepted as an assumed lease pursuant to Section 19 f.i. of the Agreement.

Given the amendment approved by the Governing Board, we also request that the dates for Acceptance in Section 3 of the Agreement be amended to replace December 15 2008, with December 18, 2008 and December 16, 2008 with December 19, 2008.

EXHIBIT

1

Please confirm in writing that the Agreement as amended by the District Governing Board has been fully authorized by your Board of Directors. Please return to us a fully executed amended Agreement, including all the revised Schedules and Exhibits, by 5:00 PM on Thursday, December 18, 2008.

Thank you for your consideration. We look forward to working with you to complete this transaction.

Sincerely,



Carol Wehle
Executive Director
South Florida Water Management District

- c: Edward Almeida, Vice President, Legal Affairs, United States Sugar Corporation (via facsimile)
Eric Buermann, Chairman of the Governing Board of the South Florida Water Management District (via facsimile)
Michael Sofe, Secretary, Florida Department of Environmental Protection (via facsimile)
William S. White, Chairman of the Board of Directors of United States Sugar Corporation (via facsimile)
Sheryl Wood, General Counsel, South Florida Water Management District (via hand delivery)

UNITED STATES SUGAR CORPORATION

111 Ponce De Leon Avenue, Clewiston, Florida 33418
Telephone: (863) 902-2418 Facsimile: (863) 902-2120

December 22, 2008

VIA HAND DELIVERY

South Florida Water Management District
3301 Gum Club Road
West Palm Beach, Florida 33406

Attention: Eric Buermann, Chairman; and
Ms. Carol Ann Wehle, Executive Director

Re: Agreement for Sale and Purchase (the "Agreement") between United States Sugar Corporation, SBG Farms, Inc., and Southern Gardens Groves Corporation, as "USSC", and The South Florida Water Management District, as "SFWMD", for approximately 180,000 acres located in Palm Beach, Glades and Hendry Counties.

Dear Chairman Buermann and Ms. Wehle:

USSC's Board of Directors met today to approve the changes to the Agreement after we transmitted the same to you on December 8th. I am pleased inform you that the Agreement, as changed, was approved and I was authorized to execute and deliver it to you. Accordingly, pursuant to your letter dated December 17, 2008, enclosed are four (4) original Agreements which have been executed on behalf of USSC. These Agreements contain the revisions referenced in your letter dated December 17th, i.e., the new Section 7.a.xviii and the revisions forwarded by our counsel to SFWMD on December 12th, 14th and 16th. In addition, Schedule 12.a.xvii of the prior version of the Agreement contained a scrivener's error regarding the date of a letter that was incorrectly referenced as August 15th when, in fact, the date of such letter is August 13th. We have changed such schedule accordingly.

As you will note, each page of the enclosed Agreement has been initialed for identification purposes by our attorney, Danielle DeVito-Hurley from Gunster, Yoakley. You may feel free to have a representative of SFWMD initial each page as well, but you are not required to do so.

Once the Agreement has been executed by a representative of SFWMD, please insert the date on the front page of each original and on the joinder by SCFB on page 55 of the Agreement. As contemplated by Section 3 of the Agreement, please return two (2) original Agreements to us by tomorrow, December 23rd.


Please feel free to call me if you have any questions or comments. We look forward to working with the SFWMD toward a successful closing of this transaction.



Ltr. - SFWMD
Monday, December 22, 2008
Page 2 of 2

If I can be of any further assistance in this matter, please do not hesitate to contact me. Thank you.

Sincerely,


Robert H. Buker, Jr.,
President & CEO, United States Sugar Corporation

Enclosures

cc: Michael W. Sole, Secretary, Florida Department of Environmental Protection (via FedEx w/enc.)
Sheryl Wood, General Counsel, South Florida Water Management District (via Hand Delivery w/enc.)
William S. White, Chairman of the Board of Directors of United States Sugar Corporation (via facsimile w/o enc.)
Edward Almeida, Vice President, Legal Affairs, United States Sugar Corporation (via facsimile w/o enc.)



SOUTH FLORIDA WATER MANAGEMENT DISTRICT

December 24, 2008

Edward Almeida, Vice President
Legal Affairs
United States Sugar Corporation
111 Ponce De Leon Avenue
Clewiston, Florida 33440

RE: Agreement for Sale and Purchase between United States Sugar Corporation, SBG Farms, Inc. and Southern Gardens Groves Corporation and the South Florida Water Management District, for approximately 180,000 acres located in Palm Beach, Glades and Hendry Counties.

Dear Mr. Almeida:

Enclosed are two originals of the Agreement for Sale and Purchase executed by Chairman Buermann yesterday. In addition to sending them to you by regular mail, they will also be posted on the District's website.

This also confirms that the Due Diligence Information Request transmitted by Sheryl Wood on December 19, 2008 (a copy of which is attached) was deemed delivered pursuant to Sections 6.a. & 19.b. of the Agreement for Sale and Purchase and that the information requested therein will be provided on or before December 29, 2008.

Thanks for your help in getting these documents completed and executed.

Sincerely,

Carlyn H. Kowalsky
Managing Attorney
Office of Counsel
South Florida Water Management District

Enclosures

c:
Michael W. Sole, Secretary, Florida Department of Environmental Protection
Carol Wehle, Executive Director, South Florida Water Management District
William S. White, Chairman of the Board of Directors of United States Sugar Corporation
Sheryl Wood, General Counsel, South Florida Water Management District

EXHIBIT

K

LAW OFFICES
CASEY CIKLIN LUBITZ MARTENS & O'CONNELL
A PARTNERSHIP INCLUDING PROFESSIONAL ASSOCIATIONS

LINDA DICKHAUS AGHANT, P.A.
BRUCE G. ALEXANDER, P.A.
JERALD S. BEER, P.A.
JOHN D. BOYON, P.A.
JESSICA M. CALLOW
PATRICK J. CASEY, P.A.
RICHARD F. CHAVES, P.A.
PATRICIA H. CHRISTANSEN, P.A.
ALAN J. CIKLIN, P.A.
ROBERT L. CRANE, P.A.
RONALD E. CRESCENZO, P.A.
JEFFREY M. GARDEN, P.A.
ASHLEY N. GIROLAMO
JASON S. HASELKORN, P.A.
CHRISTINE M. HOKE

W. JAY HUNSTON, II
RICHARD A. JAROLEN, P.A.
BRIAN B. JOSLYN, P.A.
GREGORY S. KING, P.A.
CHARLES A. LUBITZ, P.A.
JASON C. MAIER
RICHARD L. MARTENS, P.A.
BRIAN M. O'CONNELL, P.A.
PHIL D. O'CONNELL, P.A.
CHARLES L. PICKETT
MATTHEW N. THIBAUT, P.A.
DEAN VEGOSEN, P.L.
GARY WALK, P.A.
JOHN R. YOUNG, P.A.

PHILLIP D. O'CONNELL, SR. (1907-1987)

OF COUNSEL

MICHAEL J. MORCHICK, P.A.
MICHAEL J. KENNEDY, P.A.
JOHN L. RENSEN

515 NORTH FLAGLER DRIVE, STE. 1000
WEST PALM BEACH, FLORIDA 33401-4343
TELEPHONE: (561) 832-5900
FACSIMILE: (561) 833-4209

June 26, 2008

VIA FACSIMILE AND FEDERAL EXPRESS

Malcolm S. Wade, Jr.
Senior Vice President, Sugar Operations
United States Sugar Corporation
111 Ponce de Leon Avenue
Clewiston, Florida 33440

Malcolm S. Wade, Jr.
Vice President
SBG Farms, Inc.
111 Ponce de Leon Avenue
Clewiston, FL 33440

**Re: Mining and Excavation Lease Agreement
Between U.S. Sugar Corp., SBG Farms, Inc. and Florida Rock Industries, Inc.
Notice Under Force Majeure Provision**

Dear Mr. Wade:

I represent Florida Rock Industries, Inc. The proposed sale of the U.S. Sugar property which is subject to the above-referenced Lease Agreement necessitates this notice pursuant to Paragraph 27 of the Lease Agreement between the parties.

As you know, Florida Rock recently obtained zoning approval from the Board of County Commissioners and has been diligently pursuing all of the permits required to commence mining on the subject property. However, the proposed sale of the subject property to the South Florida Water Management District may well serve to prevent Florida Rock from performing under the terms of the Agreement during the time frames required. As an example, in today's edition of the Palm Beach Post, it is reported that South Florida Water Management District officials "will fight the mine on land they would own". Furthermore, representatives of the Department of Environmental Protection (DEP) have now questioned the legal capability of Florida Rock to ensure that the activity undertaken pursuant to the DEP permit will be in accordance with the terms and conditions of the permit. Both the South Florida

EXHIBIT

L

June 26, 2008
Page 2

Water Management District and the DEP were prominent participants in the announcement of the U.S. Sugar sale to the South Florida Water Management District, and they are major permitting agencies for the Florida Rock mine. In addition, Palm Beach County Environmental Resource Management (ERM) has indicated to one of Florida Rock's consultants that, because of the pending litigation, requests for approvals do not have to be acted upon by them until the litigation is concluded. I have asked the County Attorney to correct this misapprehension. We have previously notified you of the litigation and the potential force majeure effects that may result.

Regardless of this notice as required pursuant to the Lease Agreement, Florida Rock continues to diligently pursue all permits and approvals which will allow them to commence mining the subject property. At this time, it is impossible to estimate the duration of the force majeure because the actions of the South Florida Water Management District and DEP as it relates to issuance of the permits are totally within the control of those agencies.

Thank you for your anticipated cooperation. Please feel free to contact me if you have any questions.

Sincerely,



Alan J. Calkin

AJC/cmm

cc: Legal Department, United States Sugar Corporation (via facsimile and Federal Express)
Scott McCaleb (via e-mail)
Barbara Johnston, Esq. (via e-mail)
William Denson, Esq. (via e-mail)

LAW OFFICES

CASEY CIKLIN LUBITZ MARTENS & O'CONNELL

A PARTNERSHIP INCLUDING PROFESSIONAL ASSOCIATIONS

LINDA DICKHAUS ASHANT, P.A.
BRUCE G. ALEXANDER, P.A.
JERALD S. DEER, P.A.
JOHN D. HOYHN, P.A.
JESSICA H. GALLOW
PATRICK J. CASEY, P.A.
RICHARD R. CHAVES, P.A.
PATRICIA H. CHRISTIANSEN, P.A.
ALAN J. CIKLIN, P.A.
ROBERT L. CRANE, P.A.
RONALD E. CRESCENZO, P.A.
JEFFREY M. GÄRBER, P.A.
ASHLEY N. GIROLAMO
JASON S. HASELKORN, P.A.
CHRISTINE M. HOKE

W. JAY HUNSTON, III
RICHARD A. JAROLEM, P.A.
BRIAN B. JOSLYN, P.A.
GREGORY S. KING, P.A.
CHARLES A. LUBITZ, P.A.
JASON C. MAIER
RICHARD L. MARTENS, P.A.
BRIAN M. O'CONNELL, P.A.
PHILIP D. O'CONNELL, P.A.
CHARLES L. PICKETT
NICHOLAS J. PURVIS
MATTHEW N. THIBAUT, P.A.
DEAN VEGGENSEN, P.L.L.
GARY WALK, P.A.
JOHN R. YOUNG, P.A.

PHILLIP D. O'CONNELL, SR. (1907-1987)

OF COUNSEL

MICHAEL J. MONCHICK, P.A.
MICHAEL J. KENNEDY, P.A.
JOHN L. REISEN

515 NORTH FLAGLER DRIVE, STE. 1900
WEST PALM BEACH, FLORIDA 33401-4343
TELEPHONE: (561) 832-5900
FACSIMILE: (561) 833-4209

July 21, 2008

VIA FACSIMILE AND FEDERAL EXPRESS

Malcolm S. Wade, Jr.
Senior Vice President, Sugar Operations
United States Sugar Corporation
111 Ponce de Leon Avenue
Clewiston, Florida 33440

Malcolm S. Wade, Jr.
Vice President
SBG Farms, Inc.
111 Ponce de Leon Avenue
Clewiston, FL 33440

**Re: Mining and Excavation Lease Agreement
Between U.S. Sugar Corp., SBG Farms, Inc. and Florida Rock Industries, Inc.
Notice Under Force Majeure Provision**

Dear Mr. Wade:

As you know, I represent Florida Rock Industries, Inc. I previously sent notices to you pursuant to Paragraph 27 of the Lease Agreement between the parties regarding the litigation brought by environmental groups challenging the zoning approval and the proposed sale of the subject property to the South Florida Water Management District.

Now, in addition to the litigation and previous reports in the Palm Beach Post wherein South Florida Water Management District officials indicated that they "will fight the mine on land they would own", my client now has in their possession a copy of a letter from James D. Giattina, Director of the Water Management Division of the United States Environmental Protection Agency, Region 4, to Colonel Paul L. Grosskruger, District Engineer of the Jacksonville of the Army Corps of Engineers, a copy of which is attached. This letter calls for a regional Environmental Impact Statement (EIS) which will potentially serve to delay the permitting for mining on the leased premises. Florida Rock is continuing to aggressively pursue all permits and approvals necessary in order to engage in mining activities on the leased property; however, at this time, we do not know what effect the involvement of

EXHIBIT

M

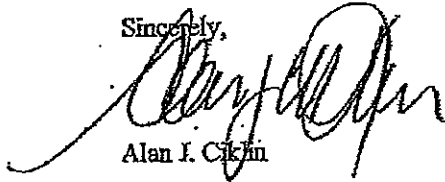
July 21, 2008

Page 2

the United States Environmental Protection Agency will have on the ability of Florida Rock to do so or the duration of this force majeure.

If you have any questions regarding the foregoing, please don't hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Alan J. Cichin". The signature is fluid and cursive, with a long horizontal stroke extending to the left.

Alan J. Cichin

AJC/cmm

Attachment

cc: Legal Department, United States Sugar Corporation (via facsimile and Federal Express)
Scott McCaleb (via e-mail)
Barbara Johnston, Esq. (via e-mail)
William Denson, Esq. (via e-mail)



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 4
ATLANTA FEDERAL CENTER
61 FORSYTH STREET
ATLANTA, GEORGIA 30309-8960

JUL 03 2008

Colonel Paul L. Grosskrüger
District Engineer
Department of the Army
Jacksonville District Corps of Engineers
P.O. Box 4970
Jacksonville, FL 32232-0019

Subject: Proposed Expansion of Rock Mining Activities in the Everglades Agricultural Area

Dear Colonel Grosskrüger:

In response to a number of proposals for expansion of rock mining activities in the Everglades Agricultural Area (EAA), the Environmental Protection Agency (EPA) Region 4 believes it would be prudent to alert you to our concerns in advance of the individual public notices for these proposals. It is our understanding that over 17,000 acres of new limestone aggregate mining are being proposed in the approximately 700,000 acre EAA. Due to the potential for significant and cumulative environmental degradation from these mining activities, we recommend that these proposals be evaluated together as was done with individual mining projects in the Lako Belt area of Miami-Dade County. We note that you included a similar recommendation in your paper entitled, "An Introduction to Department of the Army Permitting and Issues Associated with Mining in the Everglades Agricultural Area (EAA)", that you provided to Palm Beach County Commissioners and staff in 2007. We support your request that a regional Environmental Impact Statement (RIS) be prepared if jurisdictional wetlands are identified in the area, and we offer our assistance with technical support for this effort.

The EAA historically formed the northern Everglades, which transmitted floodwaters from Lake Okechobee southward through the Everglades. Water is currently managed through extensive ditching, which allows farming primarily for sugar cane, but also for rice, vegetables and sod. These areas are expected to revert to wetlands should farming cease. Wetland jurisdictional determinations under section 404 were done for Everglades restoration projects, and jurisdiction was asserted due to positive indicators of wetland hydrology and soils. It is anticipated that much of the EAA will be considered jurisdictional wetlands, requiring section 404 permits for any expansion of rock mining activities.

The EAA is critically located for Everglades restoration; thus, any proposed development in this area should be closely scrutinized for its potential to interfere with restoration efforts. In addition to compatibility with Everglades restoration efforts, other significant issues to be addressed would include the following: description of the hydrogeology of the rock mining areas, potential impacts to adjacent preserves (Loxahatchee National Wildlife Refuge and Corbett Wildlife Management Area), potential to induce movement of saline water that may be

present in underground rock layers, potential ground water seepage effects that may impact surrounding areas, any dewatering of wetlands, potential water quality impacts on surrounding areas and any secondary impacts (such as the need for transportation infrastructure to move mine materials).

The State of Florida recognizes the value of mined materials to the State's economy and established a "Strategic Aggregates Task Force" to make recommendations to ensure availability of mined materials. The task force members concluded that although there is no short term crisis in availability of mined materials, the State has an urgent need to plan for future mining in Florida. It is our understanding that a goal of the state planning effort will be to site mines in locations with the lowest environmental and community impacts. A regional EIS would support this goal, as well as the federal goal to protect the biological, physical and chemical integrity of our Nation's waters.

We hope that you will consider our contracts as new rock mining proposals are developed for the EAA. If you would like our assistance or would like to discuss this offer further, please contact Veronica Fasselt by letter at 400 North Congress Avenue, Suite 120, West Palm Beach, Florida 33401, by electronic mail at fasselt.veronica@epa.gov, or by telephone at (561) 616-8867. We look forward to working with you and your staff on these issues.

Sincerely,



James D. Giattina
Director
Water Management Division

cc: Tori White, USACE, Palm Beach Gardens
Todd Hopkins, USFWS, Vero Beach
Tennie Bates, SFWMD, West Palm Beach
Janet Llewellyn, FDEP, Tallahassee

LAW OFFICES

CASEY CIKLIN LUBITZ MARTENS & O'CONNELL

A PARTNERSHIP INCLUDING PROFESSIONAL ASSOCIATIONS

LINDA DICKHAUS AGNANT, P.A.
BRUCE G. ALEXANDER, P.A.
JEFFREY S. BEER, P.A.
JOHN D. BOYER, P.A.
JESSICA K. CALLOW
PATRICK J. CASEY, P.A.
RICHARD R. CHAVES, P.A.
PATRICIA M. CHRISTANSEN, P.A.
ALAN J. CIRLIN, P.A.
ROBERT L. CRANE, P.A.
RONALD E. CRESCENZO, P.A.
JEFFREY M. GARBER, P.A.
ASHLEY N. GIROLAMO
JASON S. HASZELKORN, P.A.
CHRISTINE M. HOKE

W. JAY HUNSTON, III
RICHARD A. JAROLEM, P.A.
BRIAN B. JOSLYN, P.A.
GREGORY S. KNO, P.A.
CHARLES A. LUBITZ, P.A.
JASON C. MAIER
RICHARD L. MARTENS, P.A.
BRIAN M. O'CONNELL, P.A.
PHIL D. O'CONNELL, P.A.
CHARLES L. PICKETT
NICHOLAS J. PURVIS
MATTHEW N. THIBAUT, P.A.
DEAN VEDGENSEN, P.L.
BART WALK, P.A.
JOHN E. YOUNG, P.A.

PHILLIP D. O'CONNELL, SR. (1907-1987)

OF COUNSEL

MICHAEL J. MONCHICK, P.A.
MICHAEL J. KENNEDY, P.A.
JOHN L. REKSEN

515 NORTH FLAGLER DRIVE, STE. 1900
WEST PALM BEACH, FLORIDA 33401-4343
TELEPHONE: (561) 832-5000
FACSIMILE: (561) 833-4200

December 1, 2008

VIA FACSIMILE AND FEDERAL EXPRESS

Malcolm S. Wade, Jr.
Senior Vice President, Sugar Operations
United States Sugar Corporation
111 Ponce de Leon Avenue
Clewiston, Florida 33440

Malcolm S. Wade, Jr.
Vice President
SBG Farms, Inc.
111 Ponce de Leon Avenue
Clewiston, FL 33440

**Re: Mining and Excavation Lease Agreement
Between U.S. Sugar Corp., SBG Farms, Inc. and Florida Rock Industries, Inc.
Notice Under Force Majeure Provision**

Dear Mr. Wade:

As previously indicated, I represent Florida Rock Industries, Inc. You have previously received notices invoking the Force Majeure provision pursuant to Paragraph 27 of the Lease Agreement between the parties.

My client has been notified that our DEP application is complete but that the Notice of Intent to issue the DEP permit will not be signed until it is reviewed by the Secretary of the DEP, Michael Sole. We have been informed that his review is prompted by the proposed sale of the subject property to the South Florida Water Management District and his prominent role in the negotiations. The delay caused by his requested review is causing a delay in the issuance of the Notice of Intent to issue the DEP permit, the issuance of the DEP permit, the receipt of other permits tied to the DEP permit, and the commencement of mining operations. At this point in time, it is difficult to estimate the time period of the delay. Florida Rock is continuing to aggressively pursue all permits and approvals necessary in order to engage in mining activities on the leased property.

EXHIBIT

N

December 1, 2008

Page 2

If you have any questions regarding the foregoing, please don't hesitate to contact me.

Sincerely,



Alan J. Cikla

AJC/cmm

cc: Legal Department, United States Sugar Corporation (via facsimile and Federal Express)
Scott McCaleb (via e-mail)
Häiri Häikala (via e-mail)