

*The*  
**LAWRENCE GROUP**

4007 Hillsboro Road  
Nashville, TN 37215

December 10, 2008

EX-101-08  
DEC 11 2008

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

Dear Executive Director Wehle:

Next week you will be facing a difficult decision when you vote on whether or not to approve the \$1.34 billion acquisition of U.S. Sugar's 181,000 acres of farm land by the South Florida Water Management District. You have likely experienced political pressure from those trying to influence you to vote for this acquisition; you are well aware of the concerns of those in the Glades communities who fear for their jobs, home values and communities. During the past weeks the concern over the cost of the acquisition has raised the eyebrows of legislators, county commissioners, citizens groups and even the Florida press which has always been a strong advocate of any effort to protect the Everglades. The fact that such a large expenditure is being considered at a time when county, municipal and state governments are struggling to make ends meet by decreasing services at all levels, places this acquisition under heightened scrutiny.

There are those in the environmental community who see your vote as a litmus test of environmental commitment. Not only is that not true but it is unfair to you when as a reasonable person you must balance the many legitimate concerns earlier expressed. But perhaps the most unfair element of this decision for you is that you must face a decision in which you have not been allowed to examine options such as ours which offers a comprehensive solution to the complex issues at hand in a process that by design has excluded other options from even surfacing.

You may be well aware that the contract sent to the District by U.S. Sugar contains a provision requiring a \$40 million breakup fee should the District find that following the execution of the contract that new facts are uncovered raising questions about the acquisition or as in our case better and cheaper opportunities present themselves that deserve due consideration. It seems a real shame for the District and the taxpayer that if you vote for this acquisition, it will cost those taxpayers \$40 million to even consider what may well be better alternatives. U.S. Sugar wants that provision in the contract to do just that and prevent you from considering other options. We understand such a penalty is a frequent component of such agreements. But there are just too many questions still unanswered here to penalize their being answered and better options being considered that should not be precluded.

From our perspective, we are trying to acquire U.S. Sugar which includes all their liabilities. In this case should you vote for this contract, those liabilities will include the obligation to pay the District the \$40 million penalty just to pursue the presentation of the better option to the Board of Governors. From U.S. Sugar's perspective, that penalty is and was meant to be a poison pill tactic to prevent acquisition offers such as ours. The management of U.S. Sugar does not want our offer because they are being sued by its own shareholders for turning down our offers to buy the company in 2005 and 2007. The District has been drawn into U.S. Sugar's financial and legal difficulties as a player to help accomplish the goals of a management with little concern for the shareholders of U.S. Sugar, its employees, or the towns where for seventy years it has operated. The District is poorly served by the existence of this penalty in that it clearly serves to prevent any option to be considered other than the one proposed to the district by the management of U.S. Sugar. Under the current circumstance you should never sign an agreement with a penalty. If you are going to sign an agreement with a penalty, it should be a fraction of the amount of the \$40 million.

As well the process set in place earlier this year by the District to deal with the several parties who have expressed interest in U.S. Sugar or its assets has also placed the District at a disadvantage. When we first talked with District personnel, they informed us that like all other parties with interest, we would have to sign a confidentiality agreement which would have precluded us from making any direct offer to U.S. Sugar for the company or any of its assets. We refused to sign that agreement because we knew it would prevent us from pursuing our acquisition plan of U.S. Sugar and as a result would have prevented the District from being able to even consider the merits of our offer. Without acquiring U.S. Sugar as we have set out to do, it would have been impossible for our offer from only a conceptual standpoint to have had any merit at all to the District since the confidentiality agreement would have prevented us from acquiring U.S. Sugar.

The same situation exists for other parties who have signed those confidentiality agreements. Whatever benefits those potential acquirers might have offered to the District have been precluded by their inability to act due to the confidentiality agreements. We clearly understand that those confidentiality agreements were not intended to "chill" any potential offers. We also understand that their purpose was to provide discipline to a process in need of that discipline. But inevitably their existence has served to prevent even the possibility of potentially better options from presenting themselves. From our perspective that might seem to our advantage, but from your standpoint it would seem to us that you should have available to you the ability to consider every potential that can accomplish the mission of the District at a reasonable cost with as little harm to people as possible.

As business people we clearly know that our only concern can never just be the creation of profits. Decency demands that we treat our employees fairly; responsibility demands that we are good corporate citizens with the greater interests of the communities always a consideration. But as one interested in profits, we are great believers that profits don't have to suffer at the expense of our employees, our communities and our reputation as good corporate citizens. I suspect you would probably share the same viewpoint.

And in the case of acquiring assets of U.S. Sugar, the environmental needs can be met without financial harm coming to the employees of U.S. Sugar and without devastation that can come to the communities where those people live. And perhaps most ironic, the legacy that Governor Crist would like to leave regarding his efforts to help the Florida everglades will be far better remembered through a balance between the needs of the environment, the needs of the people at risk , and the needs of the taxpayer for reasonable solutions that they can afford.

Next week you face an up or down vote on a matter that is far more complicated than just buying or not buying U.S. Sugar's assets. Serious questions still exist that need public answers. And serious alternatives that can accomplish everyone's goals exist that a vote for the current proposal will clearly prevent.

For more than forty years the question of what is wrong with the Florida Everglades and what needs to be done to fix it has been a source of legitimate public concern. Billions have already been spent on projects that are far from complete and far from proving whether they will accomplish their intent. Were the acquisition of U.S. Sugar to have emerged as a long-term element of a grand design for the Everglades, its consideration might be different. Instead what it does is to threaten the completion of other unfinished projects as a result of its huge cost. You must remember that the genesis of this acquisition did not come from the District, but from two individuals outside the organization of the District. One was the Governor with good environmental intentions. The other was the CEO of U.S. Sugar which was in financial and legal difficulty and was looking for a bail out to get U.S. Sugar out of those troubles. That's how this whole affair started. It would be a shame for a financial and legal bail out of a failing company to be a primary reason why \$1.34 billion of taxpayer's money is spent to buy something the District neither wants or needs at a price that will after interest top more than \$2.5 billion.

Logic and reason demands that you should not be forced to in a very short time with an artificial deadline make such a momentous decision for a problem no one is completely certain about either the questions or the answers. There are two things certain about this vote. It will preclude you and the other Governors from being able to consider other and better options and reinforce in the minds of the public that politics not reason has prevailed.

You are in a tight spot politically. Our intent in this letter was certainly not to make you an advocate for our business deal but to point out to you the unreasonableness of the timetable and artificial deadlines that serve no purpose for anyone other than the management of U.S. Sugar, not its employees, not its communities and not even its shareholders.

A vote against this proposal is not a vote against the environment; it is not a vote that precludes at all the accomplishment of the mission of the District. We stand ready to abide by the commitment we have publicly and consistently stated. We will sell to the District the land they need; our understanding is that the need is far less than 181,000 acres providing opportunity for a continuing and profitable sugar operation, jobs, home

value preservation, and continuing healthy communities. The cost of what we are committed to sell the district must be reasonable and must have a sound basis that can withstand the scrutiny of even those opposed to any option other than buying the entire 181,000 acres. That's our commitment to you and the public.

A vote against this proposal is a vote for reasonableness and a vote for responsible environmentalism. Everything we have come to know about you is that as an environmental advocate and as a member of the Board of Governors that you are a reasonable person. I would ask you to help let reason and not politics prevail.

Sincerely,

A handwritten signature in black ink, appearing to read "Gaylon Lawrence, Jr.", with a stylized flourish at the end.

Gaylon Lawrence, Jr.  
The Lawrence Group