

SOUTH FLORIDA WATER MANAGEMENT DISTRICT, a water management district organized and existing under the laws of the State of Florida,

Plaintiff,

v.

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

CASE NO. 2008-CA-031975

THE STATE OF FLORIDA, AND THE TAXPAYERS, PROPERTY OWNERS AND CITIZENS WITHIN THE JURISDICTION OF THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT, INCLUDING NONRESIDENTS OWNING PROPERTY OR SUBJECT TO TAXATION THEREIN AND OTHERS CLAIMING ANY RIGHTS, TITLE OR INTEREST IN THE CERTIFICATES OF PARTICIPATION HEREIN DESCRIBED, OR TO BE AFFECTED IN ANY WAY THEREBY,

Defendants.

SUPPLEMENT TO COMPLAINT FOR VALIDATION

Plaintiff, the SOUTH FLORIDA WATER MANAGEMENT DISTRICT (the "District"), files this Supplement to Complaint for Validation which supplements the Complaint for Validation and exhibits filed October 14, 2008, and alleges as new and additional facts as follows:

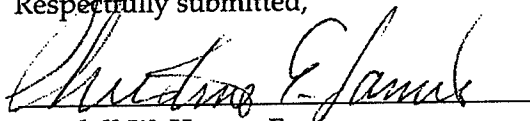
1. As permitted by the Act, specifically Section 373.584, Florida Statutes, at an open, public and duly noticed meeting on November 13, 2008, the Governing Board adopted a supplemental resolution to Governing Board Resolution No. 2008-1027 ("Supplemental Resolution") which reflects recent negotiations that have transpired between Plaintiff and United States Sugar Corporation since the filing of the Complaint relative to a right of first

"EXHIBIT A"

refusal with respect to certain operating assets. A copy of the Supplemental Resolution is attached hereto as Exhibit "A-1" and incorporated by reference herein.

2. The Complaint for Bond Validation and its attached Exhibits are hereby incorporated herein by reference as if fully set forth herein except that the first sentence of paragraph 27 of the Complaint for Validation has been revised and replaced with paragraph 1 above and Exhibit A of the Complaint for Validation is supplemented by Exhibit A-1 herein. The Complaint for Bond Validation remains the same in all other respects and it is the intent of this supplemental pleading that it merely supplements the facts as stated and that it does not supersede the Complaint for Validation and its Exhibits.

Respectfully submitted,



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3301 Gun Club Road MSC-1410
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Telephone: (561) 682-2884
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CERTIFICATE OF SERVICE

I CERTIFY that a true and correct copy of this Supplement to Complaint has been served on the following this 13th day of November, 2008 by U.S. Mail:

Lawson L. Lamar, Esq.
State Attorney Ninth Judicial Circuit
415 North Orange Avenue
Orlando, Florida 32801

Mark E. Kohl, Esq.
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Christine E. Lamia



SOUTH FLORIDA WATER MANAGEMENT DISTRICT

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STATE OF FLORIDA

COUNTY OF PALM BEACH

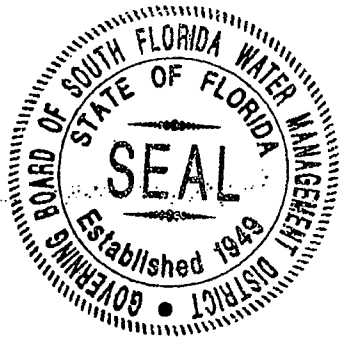
CERTIFICATE

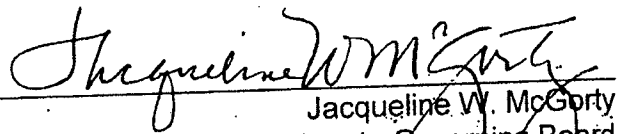
I, **JACQUELINE W. MCGORTY**, Secretary to the Governing Board of the **SOUTH FLORIDA WATER MANAGEMENT DISTRICT**, do hereby certify that the attached is a true and correct copy of SFWMD Resolution No. 2008-1109, duly adopted by the Governing Board of said District on the 13th day of November, A. D., 2008.

I **FURTHER CERTIFY** that said Resolution has not been revoked, modified, or changed in any way and is at the date of this Certification in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Governing Board, this 13th day of November, A. D., 2008.

(Seal)





Jacqueline W. McGorty
Secretary to Governing Board

EXHIBIT

A-1

1 RESOLUTION NO. 2008- 1109

2 A RESOLUTION OF THE GOVERNING BOARD OF THE SOUTH
3 FLORIDA WATER MANAGEMENT DISTRICT SUPPLEMENTING
4 RESOLUTION 2008-1027 WHICH AUTHORIZED, AMONG
5 OTHER THINGS, THE LEASE-PURCHASE FINANCING AND
6 REFINANCING OF THE COSTS OF THE ACQUISITION,
7 CONSTRUCTION AND EQUIPPING OF THE DISTRICT'S
8 CAPITAL PROJECTS, PROGRAMS AND WORKS, INCLUDING
9 THE ACQUISITION OF THE ASSETS OF UNITED STATES
10 SUGAR CORPORATION, IN THE MANNER DESCRIBED
11 THEREIN; AND PROVIDING FOR AN EFFECTIVE DATE.

12 **WHEREAS**, pursuant to Resolution 2008-1027 duly adopted on October 9, 2008
13 by the Governing Board of the South Florida Water Management District (the "District"),
14 the Governing Board authorized establishing a master lease purchase program (the
15 "Lease Purchase Program") in order to finance and refinance certain capital projects,
16 programs and works through the issuance of both fixed rate and variable rate
17 certificates of participation ("Certificates") evidencing undivided proportionate interests
18 in basic lease payments, which the District, as Lessee, will make pursuant to the Master
19 Lease Purchase Agreement, to be issued in one or more series pursuant to Section
20 373.584, Florida Statutes, and all other applicable provisions of law, including,
21 particularly, all powers and authority of municipalities to issue bonds under state law
22 (collectively, the "Act"); and

23 **WHEREAS**, as part of its water resource development program related to the
24 Everglades ecosystem which is known as the "River of Grass Acquisition Project," the
25 Governing Board contemplates entering into a Purchase and Sale Agreement with
26 United States Sugar Corporation and certain related entities (collectively, "US Sugar") in
27 order to provide for the current acquisition of certain lands and improvements that will
28 substantially alter the manner and approach to restoring, protecting and preserving the
29 Everglades ecosystem; and

30 **WHEREAS**, undertaking the River of Grass Acquisition Project, was found to
31 serve a public purpose as set forth in the Resolution 2008-1027; and

32 **WHEREAS**, at the time the Governing Board adopted Resolution 2008-1027,
33 negotiations with US Sugar were limited to a transaction that included all US Sugar
34 lands and assets because US Sugar would not consider selling any of its assets to the
35 District without the District agreeing to purchase all of its assets; and

36 **WHEREAS**, the transaction contemplated by Resolution 2008-1027 called for the
37 District to purchase approximately 187,000 acres of land together with an operating
38 sugar mill, refinery, citrus processing plant and two railroads; and

39 **WHEREAS**, the District believes that it may be in its best interests to delay
40 purchase of or not to purchase the operating sugar mill, refinery, citrus processing plant,
41 railroad assets("Business Assets") and the underlying land; and the District desires to
42 expand negotiations to include transactions that may not require acquisition of all US
43 Sugar lands and assets at the present time; and

44 **WHEREAS**, the parties may consider a transaction wherein the District acquires
45 approximately 182,500 acres of land at this time (together with agricultural and service
46 buildings located thereon, pumps, motors, fuel cases, and land underneath the internal
47 railroad), and the District does not acquire the Business Assets at this time; and

48 **WHEREAS**, U.S. Sugar may consider granting the District a right of first refusal
49 for the Business Assets in the event U.S. Sugar receives an offer(s) to purchase such
50 respective assets in the future. It is expected that such right will expire one year from
51 the later of (i) the date on which the District has purchased the property described in the
52 immediately two preceding paragraphs or (ii) the date on which U.S. Sugar no longer
53 leases any of the property described above from the District; and

54 **WHEREAS**, the right of first refusal serves a paramount public purpose in that it
55 (i) helps maintain value of the lands acquired while the District undertakes the process
56 of determining which portion of those lands will be retained for the River of Grass
57 Acquisition Project, (ii) provides the District with more flexibility in negotiating other
58 acquisitions of land related to the River of Grass Acquisition Project and (iii) provides
59 the District with a more effective opportunity to ensure that ultimate ownership and use
60 of Business Assets are consistent with the ultimate River of Grass Project design,
61 operation and maintenance.

62 **NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BOARD**
63 **OF THE SOUTH FLORIDA WATER MANAGEMENT DISTRICT, FLORIDA**, as follows:

64 **SECTION 1. RECITALS.** The recitals set forth above are adopted by the
65 Governing Board as the findings of the District and are incorporated herein and to
66 modify the project to be financed by the District in the manner described above. The
67 acquisition of such project in the manner described above constitutes a paramount
68 public purpose for the district.

69 **SECTION 2. AUTHORITY FOR THIS RESOLUTION.** This Resolution is
70 adopted pursuant to the provisions of the Act in order to correct the record created by
71 Resolution 2008-1027 and except as modified and supplemented hereby, the provisions
72 of Resolution 2008-1027 shall remain in full force and effect.

73 **SECTION 3. SEVERABILITY OF INVALID PROVISIONS.** If any one or more of
74 the provisions of this Resolution should be deemed contrary to any express provision of
75 law or contrary to the policy of express law, though not expressly prohibited, or against
76 public policy, or shall for any reason whatsoever be held invalid, then such provisions
77 shall be null and void and shall be deemed separate from the remaining provisions, and
78 shall in no way affect the validity of any of the other provisions of this Resolution.

79 SECTION 4. EFFECTIVE DATE. This Resolution shall take effect upon its
80 passage in the manner provided by law.

81 PASSED AND ADOPTED this 13th day of November, 2008.

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SOUTH FLORIDA WATER MANAGEMENT
DISTRICT
by its Governing Board

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Chair

88 (SEAL)

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90 ATTEST:

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Secretary

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Date: November 13, 2008

Legal Form Approved:

SOUTH FLORIDA WATER MANAGEMENT
DISTRICT
Office of General Counsel

By: