

Florida Conservation and Environmental Group's
PERMANENT PRESERVATION PLAN FOR CONE RANCH

PROPOSED STRUCTURE AND OTHER CONSIDERATIONS	
PRESENTERS AND COLLABORATORS:	Florida Conservation & Environmental Group, LLC (“FCEG”), a Florida Limited Liability Company affiliated with Communications Equity Associates, Florida-based investment banking and private equity firm; and The Nature Conservancy (“TNC”), a worldwide 501(c) (3) not-for-profit.
ROLES OF PRESENTERS AND COLLABORATORS:	<p>FCEG has created and brought forth the Cone Ranch preservation concept. This concept of selling a government owned piece of land to private conservation entity(ies) is ground breaking and if successful, can be used a model transaction to partner the private sector with government in furtherance of environmental preservation and protection.</p> <p>TNC is the world’s foremost conservation organization. TNC is providing guidance and expertise as a technical resource to the FCEG proposal. TNC will be integral to the guidance, structure and implementation of the conservation easement. TNC’s insight and experience regarding conservation projects is invaluable to the Cone Ranch Preservation Plan. Should the Hillsborough County Commission decide to preserve Cone Ranch permanently along the lines of our proposal, TNC will assist Hillsborough County, FCEG and all other relevant parties to ensure that the preservation plan is achieved.</p>
PURPOSE OF THE FCEG PRESERVATION PLAN:	To permanently preserve and conserve Cone Ranch. Also provide for the management and maintenance of the property and the restoration and maintenance of a significant portion of damaged wetlands on Cone Ranch.
ORIGIN AND PURPOSE OF FCEG:	<p>FCEG was created to explore unique opportunities to preserve and conserve environmentally sensitive land in Florida. One of FCEG’s strategies is to create unique financial and transactional structures to marry private sector solutions with government. A minimum target size for land transactions is 50 acres up to a maximum of 20,000 acres.</p> <p>FCEG, through its relationship with Communications Equity Associates, has access to a vast network of financial sources around the world with which to fund its projects.</p>
MANAGEMENT AND PRINCIPALS OF FCEG:	FCEG is managed and owned by John Wilson, Kimberly Wilson, Ken Jones, Rick Michaels and Dick Mandt. FCEG also engages outside consultants and experts on an as-needed basis.
DOMICILE OF FCEG:	Florida
GEOGRAPHIC FOCUS:	Environmentally sensitive lands located in Florida. However, FCEG will participate in other preservation and conversation deals outside of Florida in certain circumstances.
POINT OF CONTACT FOR TNC:	Keith Fountain, Director of Land Acquisition; Dr. Richard Hilsenbeck, Director of Preservation

DOMICILE OF TNC:	Worldwide Headquarters, Washington, DC; Florida offices in Orlando and Tallahassee
DURATION OF SALES PROCESS AND RESTORATION ACTIVITIES:	12 to 18 months for sales and 2 to 4 years for restoration plus option to extend by up to one additional year to facilitate an orderly sales and restoration process, if necessary.
ESTIMATEED TIMETABLE FOR APPROVAL PROCESS:	See Exhibit A
ADDITIONAL FCEG FINANCIAL AND TRANSACTION SERVICES:	FCEG anticipates procuring and arranging any necessary bridge financing to facilitate and complete the transactions contemplated under the current proposal. In light of the current economic climate, the sale and disposal of the Cone Ranch parcels to private buyers may not happen immediately. Regardless of whether or not there are immediately available land buyers for Cone Ranch, the CRLT may be required to be funded at sufficient levels to complete the transaction in advance of the proposed conservation buyers ultimately taking title to the land. If this is in fact the case, FCEG and its affiliates will work to provide any and all necessary financing services for the transaction.
PRESERVATION STRATEGY:	<p>FCEG is collaborating and working with TNC as well as environmental experts, biologists, ecologists and others to create a perpetual and iron-clad conservation easement to be placed on the entirety of Cone Ranch. The property will then be either transferred or sold to a specially created not-for-profit Cone Ranch land trust (CRLT) for disposal to private conservation buyers or other qualified parties who will be permanently bound by the conservation easement running with the land.</p> <p>Cone Ranch may be subdivided into NO MORE THAN six 2,000 acre parcels to be sold the aforementioned buyers. A conceptual plan of the possible parcels is attached (See Exhibit B). Note: this conceptual plan is purely for discussion purposes and may be amended as needed to achieve the goals of the conservation easement. These buyers would be under legal obligation to adhere to all restrictions and requirements contained in the conservation easement. Although there is the potential for six separate parcels, FCEG’s preferred method is to have fewer buyers in order to facilitate a more efficient transaction process as well as to simplify easement monitoring and compliance .</p> <p>Owners of the 2,000 acre parcels would be permitted to construct a single caretaker facility/residence and adjacent facilities within the strict guidelines of the conservation easement. The exact specifications of the caretaker facility/residence are yet to be determined but FCEG anticipates that any and all construction would be “green” and utilize the most modern and environmentally friendly building techniques to avoid any strain on the land or its resources.</p> <p>The conservation easement would be held by either the CRLT or by a third party such as TNC. It is also possible that the conservation easement could be held jointly by the two aforementioned entities which would serve to further enhance the easement’s strictures. Enforcement of the</p>

<p>PRESERVATION STRATEGY: (CONTINUED)</p>	<p>conservation easement would be carried out via the traditional method of periodic compliance inspections; the cost for such inspections to be borne by the holder of the easement in cooperation with the land owner(s).</p>
<p>WETLANDS RESTORATION:</p>	<p>Minimum requirements will be established for wetland restoration activities depending on which parcel is being evaluated. FCEG anticipates that on-site analysis by wetland scientists and other experts to accurately describe the nature and scope of the restoration will be required. One example of an excellent potential restoration candidate is the large fern marsh located in southeast corner of Cone Ranch. While the fern march is currently viable, according to various ecologists it could be restored and enhanced with very little effort by simply blocking up some of the drainage ditches leading away from the area. Given that there are approximately 600+ wetlands on Cone Ranch, FCEG believes there will be ample opportunity for significant restoration activities.</p>
<p>COUNTY PARK:</p>	<p>Once the primary 12,000 acres of Cone Ranch are preserved as described herein, there will be approximately 800 residual acres that can be utilized for a public park. It is noteworthy that since Hillsborough County took ownership of Cone Ranch more than 20 years ago, it has been completely closed to the public. Given that Cone Ranch is owned by the taxpayers of Hillsborough County, having 800 acres open to the public for recreational use is long overdue.</p>
<p>SUMMARY OF PROPOSED CONSERVATION EASEMENT TENANTS, RESTRICTIONS AND RESERVED RIGHTS:</p>	<p><u>Prohibited Uses</u></p> <ol style="list-style-type: none"> 1. No conversion of natural areas. 2. No subdivision of the property that would result in more than 6 parcels and each shall not be less than 750 acres in size. 3. No agricultural, commercial or industrial uses on the property. No residential uses other than one caretaker residence and facilities per 2,000 acres allowed on no more than 6 parcels provided construction of any caretaker residence shall be limited to disturbed areas and the footprint shall not exceed two acres. Caretaker residences must use “green” building construction and/or environmentally friendly practices. 4. No subdivision or development of the 6 parcels. 5. No constructing or placing of any temporary or permanent structures of any kind, provided any structures currently existing may be repaired, maintained, or replaced in the same location, but not enlarged, except as permitted by the Tampa Bay Water interlocal agreement. 6. No new roads or trails shall be constructed except for access roads to caretaker residences, provided existing roads and trails may be maintained, repaired and reconstructed in the same location but not upgraded or enlarged. 7. No ditching, draining, diking, filling, excavating, dredging, drilling, removal of topsoil, sand, gravel, rock, peat, minerals, or other materials, or any other intentional, material change in the topography, except as permitted by the Tampa Bay Water interlocal agreement.

**SUMMARY OF
PROPOSED
CONSERVATION
EASEMENT TENANTS
RESTRICTIONS AND
RESERVED RIGHTS:
(CONTINUED)**

8. No mining (including surface mining) and no minerals, gas, or oil shall be extracted from the property.
9. No dumping or storage of trash, garbage, or any other unsightly or offensive material.
10. No timber harvesting except as expressly permitted in the conservation easement.
11. No removal, destruction, cutting, trimming, or mowing of any vegetation except in connection with authorized pine silviculture and agricultural purposes. Under no circumstances shall any cypress trees be cut.
12. No planting or introduction of any nuisance exotic plant species or any other non-native species of vegetation.
13. No disruption, alteration, pollution, depletion, or extraction of existing surface or subsurface water flow or natural water sources, fresh water lakes, ponds and pond shores, marshes, creeks, or any other water bodies, provided existing man-made ponds, ditches, culverts and other such water crossings may be maintained and wells may be established that are reasonably necessary for permitted agricultural activities, except as permitted by the Tampa Bay Water interlocal agreement.
14. No operation of any vehicles, except on currently existing roads and trails and as necessary to conduct permitted pine silviculture and agriculture operations, conduct prescribed burning, conduct general land management activities, hunt and retrieve lawfully hunted game, and access the allowed caretaker residences. No vehicle use shall be permitted which degrades the conservation value of the property.
15. No application of pesticides, herbicides or fertilizers except as specifically permitted.
16. No fixed wing aviation landing strips.
17. No actions or activities that may reasonably be expected to adversely affect threatened or endangered species.
18. No actions or activities that may reasonably be expected to detrimentally affect cultural or historically significant portions of the property.

Reserved Rights

1. Right to sell, lease or mortgage the property subject to the conservation easement.
2. Right to the continued use and enjoyment of the property for passive non-commercial recreational purposes, such as wildlife photography, hunting, fishing, horseback riding and hiking, that are consistent with the purposes of the conservation easement and not otherwise prohibited.
3. Right to engage in pine silviculture in improved pastures and existing pine plantation in accordance with the specific limitations contained in the conservation easement and provided all pine silviculture activities are conducted in accordance with the Management Plan.
4. Right to conduct prescribed burning in connection with

<p>SUMMARY OF PROPOSED CONSERVATION EASEMENT TENANTS, RESTRICTIONS AND RESERVED RIGHTS: (CONTINUED)</p>	<p>approved restoration activities, allowable pine silviculture and to protect or enhance the conservation values.</p> <ol style="list-style-type: none"> 5. Right to graze cattle and conduct related activities in accordance with an agreed upon Management Plan. 6. Right to pave with permeable materials or otherwise improve roads to caretaker residences. 7. One caretaker residence and facilities per 2,000 acres allowed on no more than 6 parcels provided construction of any caretaker residence shall be limited to disturbed areas and the footprint shall not exceed two acres. Caretaker residences must use “green” building construction and/or environmentally friendly practices.
<p>LAND MANAGEMENT PLAN:</p>	<p>A Land Management Plan will be created and monitored by the Cone Ranch Land Trust to include short-term and long-term maintenance activities, restoration or enhancement activities, as applicable, management and maintenance schedules and long-term funding of management.</p>
<p>TAMPA BAY WATER INTER-LOCAL AGREEMENT REGARDING WELL FIELD DEVELOPMENT:</p>	<p>FCEG proposes to leave in-tact the existing easement rights vis-à-vis the inter-local agreement between Tampa Bay Water and Hillsborough County. Tampa Bay Water staff and hydrological experts have mostly acknowledged that Cone Ranch is not a viable future water supply for the Tampa Bay Area for decades to come and will not produce sufficient volume to make the effort of well development practicable from a cost-benefit analysis. Under the current proposal, all subsequent owners of the Cone Ranch would take the property “subject to” whatever rights are present under the referenced inter-local agreement.</p>
<p>BOND COVENANTS AND EXISTING EASEMENTS:</p>	<p>FCEG is aware that there are bond covenants in connection with the outstanding bond debt attributable to Cone Ranch. FCEG has reviewed the documents and appraisal in connection with the 1996 conservation easement placed on approximately 600 acres of Cone Ranch. The process followed for that transaction to comply with the bond covenants can also be followed for FCEG’s Plan. Further, the first step required in the bond covenants for the sale of Cone Ranch was already complied with in connection with the 1999 Board’s authorization for the Water Department to initiate the process to surplus Cone Ranch in keeping with the 1999 BOCC direction that a financing plan be developed for the transfer of the property to the County’s general fund. The Water Department determined and the Qualified Independent Consultant under the bond covenants confirmed that the property is no longer necessary, useful or profitable in the operations of the System. Such determination was never rescinded or deemed invalid and as such is still currently valid and operative. FCEG has retained outside bond counsel and has reviewed the applicable bond covenants and believes that all such covenants can be met and complied with. FCEG intends to continue its on-going dialogue with the County’s outside bond counsel as well as its in-house finance staff to ensure that all covenants are properly adhered to. Further, after numerous conversations with county staff, FCEG is confident that the disposal of Cone Ranch will have no adverse impact on Hillsborough County’s (or the Water Department’s) bond rating.</p> <p>There are also a number of pre-existing easements (See Exhibit C) and</p>

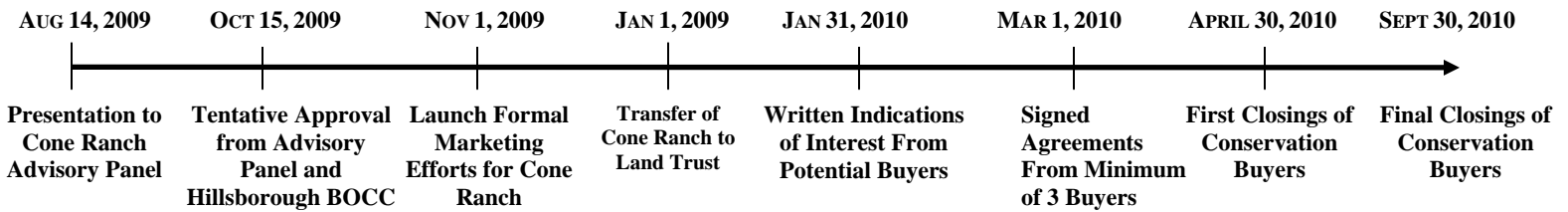
	<p>interests on Cone Ranch, ranging from cattle leases to power line and ditch cleaning easements. After careful review of the easements and interests, FCEG believes that they can be successfully complied with and/or legally terminated without adversely impacting the Cone Ranch Preservation Plan.</p>
<p>FCEG SALES AND MARKETING PROCESS:</p>	<p>FCEG will spend considerable time and resources marketing the Cone Ranch property to specific types of conservation buyers who have environmental preservation and conservation as a main ethic in their purchase decision. Any potential buyers of Cone Ranch will take ownership of the property subject to the above described conservation easement as well as any existing easement rights claimed under the pre-existing Tampa Bay Water – Hillsborough County inter-local agreement as mentioned above.</p> <p>FCEG anticipates working with TNC to identify a list of qualified purchasers who fit the proper conservation buyer profile. In certain instances, we may look to specialty mitigation buyers with respect to certain portions of Cone Ranch. However, given the sheer size of Cone Ranch as well as potential transactional considerations, we do not believe it is possible (or advisable) to market Cone Ranch purely a mitigation transaction.</p>
<p>FCEG COMPENSATION:</p>	<p>FCEG will be paid no fees whatsoever from Hillsborough County (or from any other governmental agency) or from any tax payer funds. FCEG’s compensation will be paid solely from the sales proceeds coming from the private buyers who purchase Cone Ranch subject to the conservation easement. FCEG’s fee will vary depending on the number of buyers who ultimately purchase the Cone Ranch parcels as well as the ultimate sales price of each individual parcel. In any event, FCEG anticipates that its fee will range from 5% - 9% of the gross purchase price of the Cone Ranch parcels. In certain circumstances (i.e. a single buyer purchases the entire tract) the fees may be lower than the above-listed range. Note that FCEG’s proposed fee is in-line with a typical and customary real estate brokerage fee; however, in this instance, FCEG’s role and services are much more than that of a typical real estate broker, as demonstrated herein.</p> <p>In certain instances, FCEG may receive a fee from the subsequent private land owner to assist with easement monitoring and maintenance, provided however that such arrangement is acceptable to the holder(s) of the conservation easement and the land owner(s).</p> <p>FCEG also anticipates donating a portion of its fee to the Cone Ranch Land Trust and/or to ELAPP to ensure that initial monitoring, set up costs and easement compliance are carried out in a proper manner.</p>
<p>USE OF SALES PROCEEDS FROM CONE RANCH LAND SALES:</p>	<p>While FCEG realizes there are bond covenants that require repayment to the Water Department of certain amounts attributable to the existing bond debt for Cone Ranch, there will also be additional surplus monies once the land sales are completed. Although historically, such monies are placed in a “replacement and recovery” account, it is FCEG’s desire to see that the County Commission agree and adopt a new plan to utilize the surplus monies to fund ELAPP at a higher level so additional environmentally</p>

	sensitive lands can be acquired and preserved. In the alternative, FCEG proposes that any additional surplus monies be placed in a segregated trust fund to be utilized solely for additional environmental projects in Hillsborough County.
CONE RANCH LAND TRUST:	The Cone Ranch Land Trust (CRLT) will consist of up to nine (9) board members. The anticipated board members of the CRLT will be citizens of Hillsborough County, environmental experts and public officials. The exact composition of the CRLT board will be determined at the discretion of the Hillsborough County Commission.
TRANSPARENCY OF PROCESS:	FCEG and TNC are both dedicated to providing all information concerning the proposed transaction in an open and honest manner. We are committed to working with the Cone Ranch Advisory Panel, County Staff, Public Officials and others as needed to make the FCEG Cone Ranch Permanent Preservation Plan a success and a model for future preservation projects. Our main goal is to provide sound guidance and facilitate the preservation, conservation and permanent protection of Cone Ranch.
REVIEW BY PRESENTER AND COLLABORATOR'S COUNSEL:	FCEG and TNC will continue to have all of the proposed transaction structure and other proposal language contained herein reviewed by their respective legal counsel and other staff for the purpose of recommending amendments in order to bring the activities covered hereunder into compliance with all local, state and federal regulations, statutes, or other guidelines as applicable or with any other regulatory agency as required.

FCEG 08_14_2009

EXHIBIT A

APPROXIMATE TIMETABLE FOR FCEG CONE RANCH PERMANENT PRESERVATION PLAN (TO BE REVISED AS NECESSARY)



August 14, 2009	Presentation to Cone Ranch Advisory Panel
October 15, 2009	Tentative Approval from Cone Ranch Advisory Panel and Hillsborough Board of County Commissioners to Proceed with FCEG Cone Ranch Permanent Preservation Plan, concur in the 1999 findings of the Director of the Water Department and of the Qualified Independent Consultant that the property is no longer necessary, useful or profitable in the operations of the System or authorize the Water Department to initiate the required process to surplus Cone Ranch in keeping with BOCC direction and consistent with the process and appraisal assumptions for the 1996 conservation easement transaction on Cone Ranch
November 1, 2009	Launch Formal Marketing Efforts to Locate Conservation and Mitigation Buyers of Cone Ranch
January 1, 2010	Transfer of Cone Ranch Property to Cone Ranch Land Trust
January 31, 2010	Receive Written Indications of Interest from Potential Purchasers
March 1, 2010	Receive Signed Purchase Agreements From a Minimum of 3 Purchasers
April 30, 2010	First Closings of Conservation Buyers
September 30, 2010 – December 31, 2010	Final Closings of Conservation Buyers

Exhibit B

Conceptual Plan for 2,000 Parcels and County Park

Exhibit C

List of Existing Interests and Encumbrances Affecting Cone Ranch