

June 18, 2009

VIA EMAIL AND HAND DELIVERY

STEWARTE@HILLSBOROUGHCOUNTY.ORG

Edith M. Stewart
Public Affairs Administrator
Office of Public Affairs
Hillsborough County
County Center, 26th Floor
P.O. Box 1110
Tampa, FL 33601

Re: Conservation and Preservation of Cone Ranch

Dear Ms. Stewart:

Thank you for the opportunity to work with you on this important project. As requested by the Hillsborough County Board of County Commissioners, Florida Conservation and Environmental Group (FCEG) and The Nature Conservancy (TNC) are pleased to provide the details of our unique proposed transaction to conserve and preserve Cone Ranch in perpetuity. As also requested by Susan Fernandez in the county's legal department, we prepared an illustrative flow chart of our vision of how the transaction could be structured. Please find below a written summary of the transaction. The attached flow chart also includes a series of explanatory transaction notes.

Summary of Transaction. The transaction proposed by Florida Conservation and Environmental Group (FCEG), in connection with The Nature Conservancy (TNC), will provide for the permanent protection and conservation of Cone Ranch through a conservation easement in favor of Hillsborough County, TNC and an entity to be created called the Cone Ranch Land Trust (CRLT). Monies will be provided by no more than six conservation buyers of the property so that the CLRT can perpetually monitor and enforce the conservation easement and perform, in connection with TNC, land management activities pursuant to a land management plan. Hillsborough County will receive all of the sales proceeds, less customary transaction fees, from the conveyance of the property subject to the conservation easement. Hillsborough County will also retain approximately 800 acres for public purposes, such as a public park. The conservation buyers will take their property subject to Tampa Bay Water's

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Cone Ranch Transaction Structure

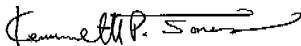
inter-local agreement for future well fields and related facilities, will be limited to one caretaker facility each and will be prohibited from subdividing or developing their property.

The CRLT will be either a 501(c)(3) or 509(a)(3) supporting organization to a public charity. It is envisioned that its Board of Directors of CRLT will be composed of at least one Hillsborough County Commissioner and various Hillsborough County citizens as well as other individuals with expertise in conservation and environmental land preservation activities. Bylaws will be created for the CRLT based on other successful land trust models throughout the country.

Substantial consideration will be provided to Hillsborough County for the conveyance of the conservation easement through in-kind services by TNC and the CRLT for the perpetual monitoring and enforcement of the conservation easement and land management activities. Fair market value will be provided to the County from the sales proceeds via the simultaneous conveyances from the County to the CRLT and from the CRLT to the conservation buyers, which conveyances will be subject to the conservation easement.

We look forward to continuing to work with you on this unique opportunity to permanently protect and conserve Cone Ranch without the use of taxpayer monies.

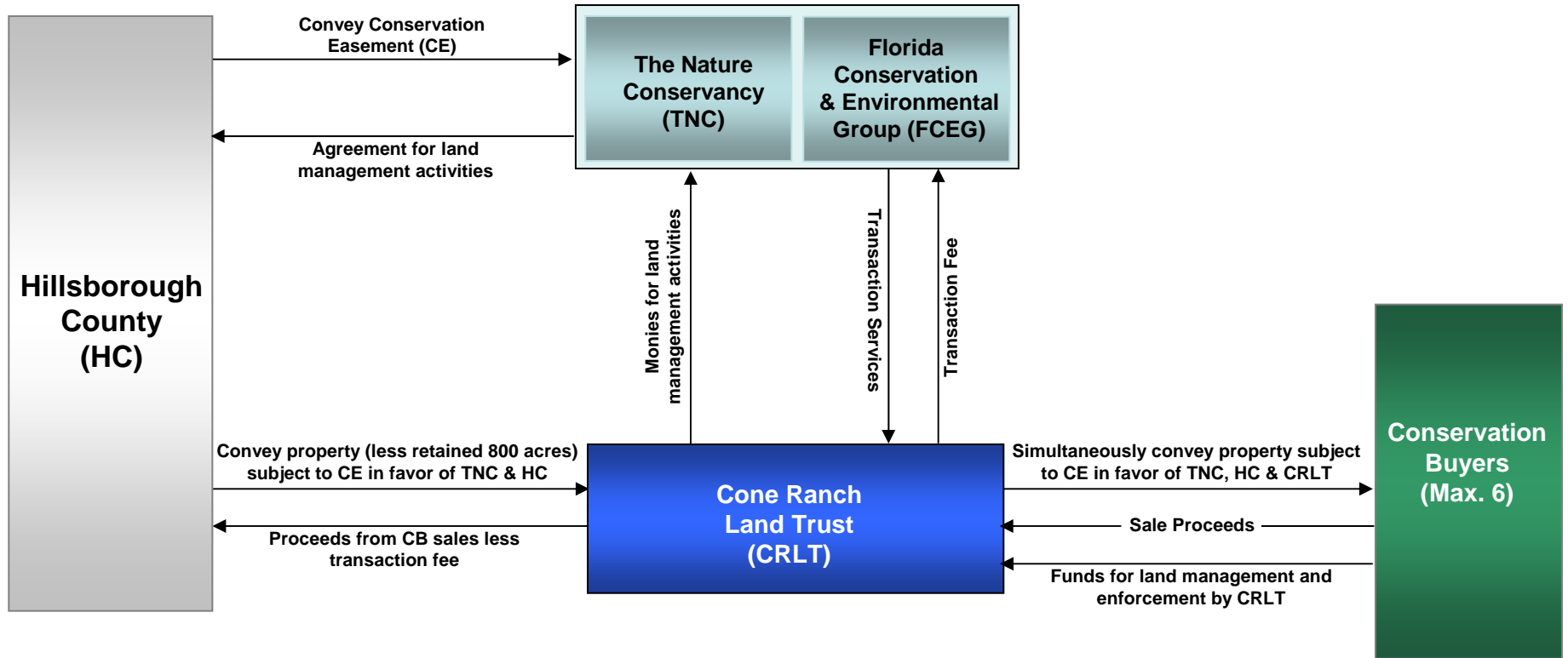
Sincerely,



Ken Jones
Principal

Attachment
Cc: Susan Fernandez, Esquire, w/attachment

Proposed Structure for Cone Ranch Transaction*



* Please see attached transaction notes on following page

Additional Transaction Notes to Flowchart

- Two appraisals will be prepared for the County for the conservation easement.
- Two appraisals will be prepared for the County for the property subject to the conservation easement.
- The conveyance of the property subject to the conservation easement to the Land Trust will require a Resolution of the Board of County Commissioners pursuant to Florida Statutes section 125.38.
- Transaction services by FCEG will include, in connection with the TNC, preparation of the conservation easement, preparation of the land management plan, creation and assistance with the operation of the Land Trust, land management activities, and buyer identification, qualification, marketing and negotiation.
- All conveyances will be subject to Tampa Bay Water's rights pursuant to the Interlocal Agreement with Hillsborough County and other interests that cannot be terminated such as various utility interests, State of Florida oil and mineral reservation and easement, and various access agreements and easements.
- Other interests, such as the Audubon Ranch cattle crazing lease, will be terminated by Hillsborough County prior to the conveyances.
- The requirements of the 2003 Amended and Restated Utility System Bond Resolution will be complied with for the conveyances.
- Parcel certification will be necessary to configure the existing parcels into the parcels to be conveyed to the conservation buyers and the parcel retained by the County.