

CONSOLIDATED TOMOKA LAND CO
Form PRE 14A
March 02, 2009
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A INFORMATION

**Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934**

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to §240.14a-12

Consolidated-Tomoka Land Co.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other than the Registrant)

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- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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(3) Filing Party:

(4) Date Filed:

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CONSOLIDATED-TOMOKA LAND CO.

Post Office Box 10809

Daytona Beach, Florida 32120-0809

PRELIMINARY NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

April 22, 2009

To our Shareholders:

The Annual Meeting of Shareholders of Consolidated-Tomoka Land Co., a Florida corporation (the Company), will be held at the LPGA International Clubhouse, 1000 Champions Drive, Daytona Beach, Florida, on Wednesday, April 22, 2009, at 1:30 p.m., local time, for the following purposes:

1. To elect Linda Loomis Shelley in Class I to serve for a one-year term expiring at the annual meeting of shareholders to be held in 2010, to elect Jeffrey B. Fuqua in Class II to serve for a two-year term expiring at the annual meeting of shareholders to be held in 2011, and to elect John J. Allen, Gerald L. DeGood, James E. Gardner and William J. Voges in Class III to serve for three-year terms expiring at the annual meeting of shareholders to be held in 2012;
2. To ratify the appointment of KPMG LLP as our independent registered public accounting firm for fiscal year 2009;
3. To consider two shareholder proposals described in the accompanying proxy statement, if properly brought before the Annual Meeting; and
4. To transact such other business as may properly come before the meeting or any adjournments or postponements thereof.

Shareholders of record at the close of business on March 13, 2009, are entitled to notice of, and to participate in and vote at, the meeting. A complete list of shareholders as of the record date will be available for shareholders inspection at the corporate offices at 1530 Cornerstone Boulevard, Suite 100, Daytona Beach, Florida, for ten days prior to the meeting.

We hope you will be able to attend the Annual Meeting in person. However, whether or not you plan to attend the Annual Meeting in person, you are urged to vote by telephone or over the Internet as indicated in the enclosed **WHITE** proxy card or by marking, dating, signing and returning the enclosed **WHITE** proxy card as promptly as possible in the postage-paid envelope provided, to ensure your representation and the presence of a quorum at the Annual Meeting. If you submit your proxy and then decide to attend the Annual Meeting to vote your shares in person, you may still do so. Your proxy is revocable in accordance with the procedures set forth in the accompanying proxy statement.

Please note that Wintergreen Advisers, LLC (Wintergreen) has given notice of its intention to nominate two individuals in addition to the nominees named above for election as directors at the Annual Meeting and to bring two shareholder proposals before the meeting. You may receive proxy solicitation materials from Wintergreen or other persons or entities affiliated with Wintergreen, including an opposition proxy statement and proxy card. **OUR BOARD OF DIRECTORS HAS NOT ENDORSED WINTERGREEN'S ADDITIONAL DIRECTOR NOMINEES OR EITHER OF WINTERGREEN'S PROPOSALS. AS A RESULT, OUR BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF ALL OF THE BOARD'S NOMINEES ON THE ENCLOSED WHITE PROXY CARD AND URGES YOU NOT TO SIGN OR RETURN ANY PROXY CARD SENT TO YOU BY WINTERGREEN.** Even if you have previously signed a proxy card sent by Wintergreen, you can change your vote by signing, dating and returning the enclosed **WHITE** proxy card in the postage-paid envelope provided or by voting in person by ballot. Only the latest dated proxy you submit will be counted. We urge you to disregard any proxy card sent to you by Wintergreen or any person other than the Company.

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If you have any questions or need any assistance with voting your shares, please contact our proxy solicitor, The Altman Group, toll-free at (866) 620-1450. You may also contact them by e-mail at pcasey@altmangroup.com.

By Order of the Board of Directors

Linda Crisp

Corporate Secretary

Daytona Beach, Florida

March [20], 2009

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A COPY OF OUR MOST RECENT FORM 10-K ANNUAL REPORT FILED WITH THE SECURITIES AND EXCHANGE COMMISSION WILL BE FURNISHED, WITHOUT CHARGE, TO ANY SHAREHOLDER UPON WRITTEN REQUEST DIRECTED TO OUR CORPORATE SECRETARY, POST OFFICE BOX 10809, DAYTONA BEACH, FLORIDA 32120-0809.

Important Notice Regarding the Availability of Proxy Materials for the Shareholder Meeting to Be Held on April 22, 2009. This proxy statement and a copy of our 2008 Annual Report to Shareholders, which includes our Annual Report on Form 10-K for the fiscal year ended December 31, 2008, are available at http://ctlc.com/2009_proxy.html.

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CONSOLIDATED-TOMOKA LAND CO.

Post Office Box 10809

Daytona Beach, Florida 32120-0809

PRELIMINARY PROXY STATEMENT

FOR ANNUAL MEETING OF SHAREHOLDERS

April 22, 2009

GENERAL INFORMATION

Why am I receiving this proxy statement?

This proxy statement and the enclosed form of proxy are being sent to you, a shareholder of Consolidated-Tomoka Land Co. (which we refer to as the Company, we, our or us), a Florida corporation, in connection with the solicitation by the Board of Directors of the Company (the Board of Directors or Board) of proxies to be used at the Annual Meeting of Shareholders to be held on Wednesday, April 22, 2009 at 1:30 p.m. (EST) at the LPGA International Clubhouse, 1000 Champions Drive, Daytona Beach, Florida (and at any adjournments or postponements thereof) (the Annual Meeting), for the purposes set forth in the accompanying Notice of Annual Meeting.

On or about March [20], 2009, we commenced mailing and made available electronically to our shareholders: (1) this proxy statement, (2) the accompanying proxy card and voting instructions, and (3) a copy of our 2008 Annual Report to Shareholders, which includes our Annual Report on Form 10-K for the fiscal year ended December 31, 2008 and our audited financial statements.

What is a proxy?

A proxy is your legal designation of another person to vote the shares you own. That other person is called a proxy. If you designate someone as your proxy, the document in which you make that designation is also called a proxy.

What is a proxy statement?

This document is a proxy statement. It is a document that we are required by law to give you when we ask you to name a proxy to vote your shares. We encourage you to read this proxy statement carefully.

What is the purpose of the Annual Meeting?

The purpose of the Annual Meeting is to obtain shareholder action on the matters outlined in the notice of meeting included with this proxy statement. These matters include (1) the election of one Class I director for a one-year term expiring at the 2010 Annual Meeting of Shareholders, one Class II director for a two-year term expiring at the 2011 Annual Meeting of Shareholders, and four Class III directors for three-year terms expiring at the 2012 Annual Meeting of Shareholders, (2) the ratification of the appointment of KPMG LLP as our independent registered public accounting firm for fiscal year 2009, (3) a shareholder proposal regarding the annual election of directors, which will be voted on only if it is properly presented at the meeting and (4) a shareholder proposal requesting that our Board adopt an independent chairman policy, which will be voted on only if it is properly presented at the meeting. This proxy statement provides you with detailed information about these matters.

We will also consider any other business that properly comes before the Annual Meeting or any adjournments or postponements thereof, if properly presented at the Annual Meeting.

On November 21, 2008, we received notice from Wintergreen Advisers, LLC (Wintergreen) stating its intention to nominate four individuals for election as directors at the Annual Meeting and to bring two

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shareholder proposals described in this proxy statement before the meeting. Our Governance Committee vetted each of Wintergreen's proposed director nominees and recommended two of those nominees to our Board. As a result, our Board expanded the Board from nine to eleven members, adding one position to Class II and one position to Class III, and nominated two of Wintergreen's nominees for election as directors to these new Board positions. We do not know whether Wintergreen will in fact solicit proxies or nominate its two remaining nominees for election as directors at the Annual Meeting or bring its proposals before the meeting. Our Board of Directors has not endorsed Wintergreen's two remaining director nominees or either of Wintergreen's proposals. We urge you **NOT** to sign any proxy card that you may receive from Wintergreen. We are not responsible for the accuracy of any information provided by or relating to Wintergreen contained in any proxy solicitation materials filed or disseminated by Wintergreen or any other statements that it may otherwise make.

What is a record date and who is entitled to vote at the Annual Meeting?

The record date for the shareholders entitled to vote at the Annual Meeting is March 13, 2009. The record date was established by our Board as required by Florida law, the law of our state of incorporation. Owners of record of shares of our common stock at the close of business on the record date are entitled to receive notice of the Annual Meeting and to vote at the Annual Meeting and at any adjournments or postponements thereof. You are entitled to one vote for each share that you owned on the record date on every matter submitted to the meeting. Our Articles of Incorporation and bylaws do not provide for cumulative voting for the election of directors, which is permitted but not required by Florida law.

How many shares can be voted and what is a quorum?

You are entitled to one vote for each share of our common stock that you own as of the close of business on March 13, 2009. At the close of business on March 13, 2009, there were 5,727,928 shares of our common stock outstanding and entitled to vote at the Annual Meeting.

A quorum is the minimum number of shares that must be represented in person or by proxy in order for us to conduct the Annual Meeting. The attendance by proxy or in person of holders of a majority of the shares of common stock entitled to vote at the Annual Meeting, or 2,863,965 shares of common stock based on the record date of March 13, 2009, will constitute a quorum to hold the Annual Meeting. If you grant your proxy by proxy card, your shares will be considered present at the Annual Meeting and part of the quorum. Abstentions and broker non-votes will be considered shares represented at the meeting for the purposes of establishing a quorum.

What different methods can I use to vote?

You have a choice of voting:

By telephone;

Over the Internet;

By mail; or

In person at the Annual Meeting.

Even if you plan to attend the Annual Meeting, we encourage you to vote by telephone, over the Internet or by mail. Please carefully read the instructions below on how to vote your shares. Because the instructions vary depending on how you hold your shares and the method you use to vote, it is important that you follow the instructions that apply to your particular situation.

If you vote by telephone or over the Internet, you should not return your proxy card.

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What is the difference between a record holder and an owner holding shares in street name?

If your shares are registered in your name, you are a *record holder*. You will be a record holder if you hold a stock certificate or if you have an account directly with our transfer agent, Registrar and Transfer Company. If your shares are registered or held in the name of your broker or bank or other nominee, your shares are held in *street name* and you are considered the beneficial owner of such shares.

How do I vote if my shares are held in my name?

Voting by telephone, over the Internet or by mail

If you are a shareholder of record, you can vote by telephone, over the Internet or by mail. The enclosed **WHITE** proxy card contains instructions for voting by telephone or over the Internet. You can also vote by mail by completing, signing, dating and mailing the enclosed **WHITE** proxy card in the postage-paid return envelope provided. Please promptly vote by telephone, over the Internet, or by mailing your **WHITE** proxy card to ensure your representation and the presence of a quorum at the Annual Meeting.

Our Board urges you **NOT** to sign or return any proxy card sent to you by Wintergreen, even as a protest. Withholding authority to vote for Wintergreen's nominees on a proxy card that Wintergreen or its affiliates may send you is not the same as voting for our nominees. A vote against Wintergreen's nominees or proposals on its card will cancel any previous proxy submitted by you.

Voting in person at the meeting

If you plan to attend the Annual Meeting, you can vote in person. To vote in person at the Annual Meeting, you will need to bring with you to the Annual Meeting proper personal identification and evidence of your share ownership.

How do I vote if my shares are held in street name?

Voting by telephone, over the Internet or by mail

If your shares are held in the name of your broker, bank, or other nominee, you have the right to direct your broker, bank or other nominee on how to vote, and you should vote your shares using the method directed by your broker, bank or other nominee. In addition to voting by mail, a large number of banks and brokerage firms are participating in online or telephonic voting programs. These programs provide eligible *street name* shareholders the opportunity to vote by telephone or over the Internet. Voting forms will provide instructions for shareholders whose banks or brokerage firms are participating in such programs.

Voting in person at the meeting

If your shares are held in the name of your broker, bank, or other nominee and if you plan to attend the Annual Meeting and to vote in person, you should contact your broker, bank, or other nominee to obtain a broker's proxy and bring it, together with proper personal identification and your account statement or other evidence of your share ownership, with you to the Annual Meeting.

Can I revoke my proxy or change my vote?

As long as your shares are registered in your name, you may revoke your proxy or change your vote at any time before it is voted at the Annual Meeting. There are several ways you can do this:

By sending a written notice of revocation to our Corporate Secretary at Consolidated-Tomoka Land Co., P.O. Box 10809, Daytona Beach, Florida 32120-0809;

By duly signing and delivering a proxy card that bears a later date; or

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By attending the Annual Meeting and voting in person by ballot.

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If you have previously signed a proxy card that may have been sent to you by Wintergreen, you may change any vote you may have cast on the Wintergreen proxy card by signing, dating, and mailing the enclosed **WHITE** proxy card in the postage-paid envelope provided or by voting in person by ballot.

If your shares are held in street name, you must contact your broker, bank or other nominee to revoke your proxy or change your vote. You may also vote in person at the Annual Meeting if you obtain a legal proxy from your broker, bank, or other nominee.

What are my voting choices and what is the required vote?

By giving us your proxy by telephone, over the Internet or by signing, dating and mailing the enclosed **WHITE** proxy card, you authorize our management to vote your shares at the Annual Meeting or at any adjournments or postponements thereof in the manner you indicate.

Proposal 1: Election of Directors

We have nominated six directors for election at the Annual Meeting. In accordance with our bylaws, the election of the nominees will require the affirmative vote of the holders of a plurality of the votes cast at the meeting. In November Wintergreen notified us of its intention to nominate four individuals for election as directors at the Annual Meeting, two of which we subsequently nominated. Wintergreen's remaining two nominees for election as directors were nominated for election in Class I and Class III. As a result, we expect the number of nominees for election at the Annual Meeting in Classes I and III will exceed the number of directors to be elected at the Annual Meeting in those classes. This means the nominee for election as a director in Class I and the four nominees for election as directors in Class III who receive the greatest number of votes cast at the Annual Meeting will be elected. The plurality standard will also apply to the sole nominee for election in Class II, who will be elected even if he does not receive a majority of the votes cast. Only votes cast for a nominee will be counted.

With respect to the proposal to elect six nominees for director, you may:

Vote For the election of a nominee for director named in this proxy statement, or

Withhold Authority to vote for one or more of the nominees named in this proxy statement.

Proposal 2: Ratification of the Appointment of Independent Registered Public Accounting Firm

Our Audit Committee has appointed KPMG LLP as our independent registered public accounting firm for fiscal year 2009. With respect to the proposal to ratify the appointment by our Audit Committee of KPMG LLP as our independent registered public accounting firm for fiscal year 2009, you may:

Vote For ratification;

Vote Against ratification; or

Abstain from voting on the proposal.

This proposal will be approved if the votes cast favoring the proposal exceed the votes cast opposing the proposal.

Proposal 3: Shareholder Proposal Regarding the Annual Election of Directors

Wintergreen has given notice of its intention to bring a shareholder proposal before the Annual Meeting that Article VI(b) of our Articles of Incorporation be amended and restated to provide that members of the Board of Directors be elected annually. Pursuant to our Articles of Incorporation, the amendment of Article VI would require the affirmative vote of the holders of at least 85% of the shares then entitled to be voted on the matter. In addition, pursuant to Florida law, adoption of an amendment to the Articles of Incorporation requires that the

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Board recommend the amendment to the shareholders; because our Board has not proposed and is not recommending that our Articles of Incorporation be amended, our Board is treating this proposal as precatory, which means adoption of this proposal would not automatically result in the annual election of directors. Therefore this proposal, if properly brought before the Annual Meeting, would be treated as a non-binding recommendation to our Board of Directors. This proposal will be approved if the votes cast favoring the proposal exceed the votes cast opposing the proposal.

Proposal 4: Shareholder Proposal Requesting that our Board Adopt an Independent Chairman Policy

Wintergreen has given notice of its intention to bring a shareholder proposal before the Annual Meeting requesting that our Board adopt an independent chairman policy. This proposal will be approved if the votes cast favoring the proposal exceed the votes cast opposing the proposal.

What are the Board's voting recommendations and what happens if I return an unmarked WHITE proxy card?

Unless indicated otherwise by your **WHITE** proxy card, if you return your properly executed **WHITE** proxy card with no votes marked, your shares will be voted as recommended by the Board. The Board's recommendations are set forth together with the description of each proposal in this proxy statement. In summary, the Board recommends a vote:

FOR the election of all six of the nominees for director named in this proxy statement;

FOR the ratification of KPMG LLP as our independent registered public accounting firm for fiscal year 2009;

AGAINST the shareholder proposal regarding the annual election of directors; and

AGAINST the shareholder proposal requesting that our Board adopt an independent chairman policy.

With respect to other matters that may properly be brought before the Annual Meeting or any adjournments or postponements thereof, if you return a properly executed **WHITE** proxy card, your shares will be voted as determined at the discretion of the proxy holders named in the **WHITE** proxy card.

What effect do abstentions and broker non-votes have on the proposals?

For each of Proposals 2, 3, and 4, shares that abstain from voting are neither a vote cast in favor of nor a vote cast in opposition to the proposal, so they will have no effect on the outcome of the voting. With regard to the election of directors, if you withhold your vote (abstain from voting) for a particular nominee on your proxy card, your vote will not count either for or against the nominee, but will result in that nominee receiving fewer votes. For all proposals, broker non-votes will be treated as shares represented at the meeting, but not voting, so they will have no effect on the outcome of the voting to elect directors or on Proposals 2, 3, or 4.

Will my shares be voted if I do not return my proxy card?

If you are the shareholder of record and you do not vote or provide a proxy, your shares will not be voted. Your shares may be voted if they are held in street name, even if you do not provide the brokerage firm with voting instructions. Brokerage firms have the authority under New York Stock Exchange rules to vote shares for which their customers do not provide voting instructions on certain routine matters. The ratification of the appointment of an independent registered public accounting firm is considered a routine matter for which brokerage firms may vote unvoted shares.

If Wintergreen solicits proxies to elect its remaining two nominees to the Board at the Annual Meeting, then the election of directors in Classes I and III will not be considered routine matters. As a result, if your shares

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are held in street name and Wintergreen provides you with proxy solicitation materials through your broker and you do not provide instructions as to how your shares are to be voted in the election of directors, your broker or other nominee will not be able to vote your shares in the election of directors in Classes I and III, and your shares will not be voted for any of our nominees in those classes. We urge you to provide instructions to your broker or nominee so that your votes may be counted on this important matter. We urge you to vote your shares by following the instructions provided on the enclosed **WHITE** proxy card and returning the **WHITE** proxy card to your bank, broker or other nominee to ensure that your shares will be voted on your behalf. The shareholder proposals described in this proxy statement and any other shareholder proposals brought before the Annual Meeting will also not be considered routine matters.

What does it mean if I receive more than one proxy card?

If you receive more than one **WHITE** proxy card, it means you own shares in multiple accounts with brokers and/or our transfer agent. To ensure that all of your shares are voted, please vote using each **WHITE** proxy card you receive. We recommend that you contact your broker and/or our transfer agent to consolidate as many accounts as possible under the same name and address. Our transfer agent is Registrar and Transfer Company, which may be reached by telephone at 800-368-5948 or over the Internet at info@rtco.com.

As previously noted, in November Wintergreen had given notice of its intention to nominate four individuals for election as directors at the Annual Meeting, two of which we subsequently nominated, and to bring two shareholder proposals before the meeting. As a result you may receive proxy solicitation materials from both Wintergreen and us. To ensure that shareholders have our latest proxy information and materials to vote, we expect to conduct multiple mailings prior to the date of the Annual Meeting, each of which will include a **WHITE** proxy card. We encourage you to vote each **WHITE** proxy card you receive. Only your latest-dated proxy for each account will be voted.

WE URGE YOU NOT TO SIGN OR RETURN ANY PROXY CARD SENT TO YOU BY WINTERGREEN. Even a vote against Wintergreen's nominees or proposals on Wintergreen's card will cancel any previous proxy submitted by you on the **WHITE** proxy card. If you have previously signed a proxy card sent by Wintergreen, you have every right to change your vote by signing, dating and returning the **WHITE** proxy card in the postage-paid envelope provided or by voting in person by ballot.

Whom should I call if I have questions or need additional copies of the proxy materials?

If you have any questions, need assistance voting, or need additional copies of this proxy statement, please contact our proxy solicitor, The Altman Group, toll-free at (866) 620-1450, or by e-mail at pcasey@altmangroup.com.

Who pays for the solicitation of proxies?

We will bear the cost of soliciting proxies, including the cost of preparation, assembly, printing, and mailing. In addition, we may reimburse brokerage firms and other persons representing beneficial owners of shares for their expenses in forwarding solicitation materials to such beneficial owners. Proxies may also be solicited by certain of our directors, officers and regular employees. They will not be paid for soliciting proxies but may be reimbursed for out-of-pocket expenses related to the proxy solicitation. Certain information about our directors and executive officers who are considered participants in this solicitation is provided in *Appendix A*. Proxies may be solicited in person, by telephone, by telegram, by email, by mail, by facsimile, through press releases issued by us or through postings on our website.

We have hired a professional proxy solicitation firm, The Altman Group (Altman), to assist in the solicitation of proxies at a fee estimated not to exceed \$65,000, plus reimbursement of reasonable out-of-pocket expenses. We have also agreed to indemnify Altman against certain liabilities arising out of or in connection with its engagement. Altman expects that approximately twenty of its employees will be involved in the proxy

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solicitation. Our expenses related to the solicitation in excess of those normally spent for an annual meeting are currently expected to be approximately \$600,000, of which approximately \$317,000 has been spent to date.

May I access this year's proxy statement and annual report over the Internet?

This proxy statement and a copy of our 2008 Annual Report to Shareholders, which includes our Annual Report on Form 10-K for the fiscal year ended December 31, 2008, are available at http://ctlc.com/2009_proxy.html.

Where can I find the voting results of the Annual Meeting?

We intend to announce the preliminary voting results at the Annual Meeting and to publish final results in our quarterly report on Form 10-Q for the second quarter of fiscal 2009, which we will file with the Securities and Exchange Commission and make available on our website at www.ctlc.com.

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PROPOSAL 1: ELECTION OF DIRECTORS

Our Articles of Incorporation divide the Board of Directors into three classes, as nearly equal as possible. Our Board recently expanded the Board from nine to eleven members, adding one position to Class II and one position to Class III. As a result, one Class I director, one Class II director and four Class III directors are to be elected at the Annual Meeting. The Class I director, Linda Loomis Shelley, is to be elected to hold office until the 2010 Annual Meeting of Shareholders, or until her successor is duly elected and qualified, the Class II director, Jeffrey B. Fuqua, is to be elected to hold office until the 2011 Annual Meeting of Shareholders, or until his successor is duly elected and qualified, and the four Class III directors, John J. Allen, Gerald L. DeGood, James E. Gardner, and William J. Voges, are to be elected to hold office until the 2012 Annual Meeting of Shareholders, or until their successors are duly elected and qualified.

All properly executed and returned proxies on **WHITE** proxy cards will be voted for the election of the persons named below who have been recommended to the Board of Directors by the Governance Committee as nominees for Class I, Class II and Class III, unless authority to do so is withheld.

All nominees for election as directors are currently directors except Messrs. Allen and Fuqua, who were recommended for nomination by David Winters of Wintergreen Advisers, a shareholder of more than 5% of our outstanding shares. The nominee for Class I, Ms. Shelley, was named by the Board on November 26, 2008, to fill the unexpired term of Bob D. Allen, who retired effective at the 2008 annual meeting of shareholders. Each nominee has indicated his or her willingness to serve if elected. If any nominee should be unable to serve, which is not now anticipated, the proxy will be voted for such other persons as shall be determined by the persons named in the proxy in accordance with their judgment.

The election of Messrs. Allen, DeGood, Fuqua, Gardner, and Voges and Ms. Shelley will require the affirmative vote of the holders of a plurality of the shares present or represented at the meeting. In the election of directors, assuming a quorum is present, plurality voting means the nominee for election as a director in Class I and the four nominees for election as directors in Class III who receive the greatest number of votes cast at the Annual Meeting will be elected directors. The plurality standard will also apply to the sole nominee for election in Class II who will be elected even if he does not receive a majority of the votes cast. We have nominated six directors and the proxies that we are soliciting cannot be voted for more than six nominees. If you specify **Withhold Authority** on your proxy, your vote will not count either for or against the nominee, but will result in that nominee receiving fewer votes. Proxies specifying **Withhold Authority** will be counted for purposes of determining whether a quorum is present, as will broker non-votes.

Our Board of Directors recommends a vote for the election of Ms. Shelley in Class I, Mr. Fuqua in Class II, and Messrs. Allen, DeGood, Gardner, and Voges in Class III. To vote for these nominees, please vote by telephone or over the Internet, as described in the attached **WHITE** proxy card, or complete, date and sign the enclosed **WHITE** proxy card and return it promptly in the enclosed postage-paid envelope.

Please note that Wintergreen has given notice of its intention to nominate two additional individuals for election as directors at the Annual Meeting. You may receive proxy solicitation materials from Wintergreen or other persons or entities affiliated with Wintergreen, including an opposition proxy statement and proxy card. We do not believe the election of the additional Wintergreen nominees is in the Company's best interests or the best interests of all of our shareholders because we believe that the additional nominees are not as well qualified to serve on our Board, and we strongly urge you *not* to sign or return any proxy sent to you by Wintergreen. If you have previously returned or voted a proxy sent to you by Wintergreen, you can revoke it by returning your completed **WHITE** proxy to us or by voting in person by ballot at the Annual Meeting.

Additional information concerning the nominees and the directors appears below.

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Nominees Standing for Election

John J. Allen, 56, President of Allen Land Group Inc., a Florida based commercial real estate brokerage company also involved in development, permitting and financial analysis; President of Mitigation Solutions, Inc., a wetlands mitigation land bank. Director Nominee (Class III).

Mr. Allen is a graduate of Cornell University with a B.S. in Agricultural Economics. He serves as a Trustee of the University of North Florida Foundation. Prior to beginning his career in the real estate and commercial brokerage fields, he worked for Barnett Bank Inc. in commercial lending and national corporate banking. He is an expert in creating mitigation banks. He is actively engaged in real estate including the development of office and other real estate properties in the Jacksonville, Florida market.

Gerald L. DeGood, 66, Consultant; Former Partner, Arthur Anderson LLP. Director (Class III) since 2004.

Mr. DeGood is a graduate of The Ohio State University with a B.S. in accounting. He has over 40 years of public accounting experience serving as engagement partner for numerous public company clients and on public offerings of securities, including initial public offerings. His accounting experience was primarily in the industries of real estate, construction, agribusiness, and manufacturing. He has other public company board experience, having formerly served as a director of Bairnco Inc., a provider of industrial and commercial products, until its acquisition in 2007. He meets the current standard of requisite financial management expertise as required by NYSE Alternext US and is an audit committee financial expert as defined by the rules of the SEC. He has served as Chairman of our Audit Committee since April 2004.

Jeffrey B. Fuqua, 63, President of Amick Construction Co. Inc., a highway, heavy construction, and land development company. Director Nominee (Class II).

Mr. Fuqua is a graduate of the University of Miami with a B.A. in philosophy and a minor in mathematics. He also received an M.S. and a Ph.D. in mathematics from the University of Miami. He currently serves as Chairman of the Greater Orlando Aviation Authority. Mr. Fuqua has extensive business and political contacts throughout the State of Florida. He is Chairman of the Board of Directors of Liberty Bancorporation and Orlando National Bank. He has considerable expertise in land development and heavy construction.

James E. Gardner, 70, Retired, Former President and Chief Executive Officer of ITT Community Development Corp. Director (Class III) since 2005.

Mr. Gardner graduated from Mississippi State University with a B.S. in Civil Engineering. His career started in the public sector as an assistant city engineer for the City of Meridian, Mississippi and later as City Engineer and Public Works Director for the City of Fort Myers, Florida. He served as Vice President of Operations of Lehigh Acres Development Company before joining ITT Community Development Corporation. At ITT Community Development Corporation, he oversaw the development of Palm Coast, a master planned community with a current population of over 60,000 residents. Both of these companies were involved in the real estate development business in Florida. He is a former Trustee of Daytona State College and a former director of Pinnacle Bank. He is a Past Chairman of the State of Florida's Economic Development Advisory Council. He serves as Chairman of our Compensation Committee and is a member of our Governance Committee.

Linda Loomis Shelley, 57, Attorney and Shareholder in the law firm of Fowler White Boggs, PA. Director (Class I) since 2008.

Ms. Shelley received her B.S. degree from the University of Florida and her J.D. from the University of Florida Levin College of Law. She chairs her firm's business law department. Ms. Shelley is a member of the Board of Trustees of the University of Florida Law Center Association and a member of the Board of Trustees of Tax Watch. She has held several prominent positions in the government of the State of Florida, including General

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Counsel to Governor Bob Graham, Chief of Staff to Governor Lawton Chiles, and Secretary of the Department of Community Affairs, which agency has oversight of comprehensive land planning in Florida. She has extensive experience in the regulatory matters applicable to permitting and land development and has numerous contacts with various governmental agencies.

William J. Voges, 54, President, Chief Executive Officer and General Counsel of the Root Organization, a private investment company with diversified holdings including real estate. Director (Class III) since 2001.

Mr. Voges graduated from Stetson University with a B.A. degree in Business Administration. He received his J.D. from the Stetson University College of Law. He is a director of First Financial Corp., a public company listed on NASDAQ under the symbol THFF, and First Financial Bank, a wholly owned subsidiary. He previously served on the Boards of CypressCoquina Bank, First Florida Bank of Volusia County, Barnett Bank of Volusia/Flagler Counties and Costa Del Mar. He serves on Stetson University's Family Enterprise Center Professional Board of Advisors. At the Root Organization, he is responsible for the oversight and management of a diversified financial portfolio. The Root Organization actively manages and develops real estate investments, including the leasing and property management of office buildings and shopping centers and other real estate investments. Mr. Voges is a member of our Executive Committee and Audit Committee and is an Independent Lead Director.

Current Directors Not Standing for Election

John C. Adams, Jr., 72, Retired, Former Executive Vice President of Brown & Brown, Inc., an insurance agency. Director (Class I) since 1977.

Mr. Adams is a graduate of the University of Florida with a B.S. in Business Administration. Mr. Adams serves as a trustee of Embry-Riddle Aeronautical University. He previously served as a director of several local banks, and Hilb, Rogal and Hamilton Company, an insurance and risk management intermediary. Throughout his insurance career, he has been active in various state and national professional associations and held positions of responsibility. He is knowledgeable in all areas of insurance, including risk management. He is a member of our Executive Committee and Audit Committee and is an Independent Lead Director.

William H. Davison, 65, Retired, Former Chairman of the Board, President and Chief Executive Officer of SunTrust Bank, East Central Florida. Director (Class II) since 2007.

Mr. Davison is a graduate of Florida State University with a B.A. in Economics. During his banking career, he was involved in all facets of commercial and retail banking, including commercial and real estate lending. As President of SunTrust Bank, East Central Florida, he oversaw the banking operations of twenty-eight offices in Volusia and Flagler Counties, Florida. He has expertise in finance and loan underwriting. Mr. Davison is a member of the Daytona State College Board of Trustees. He is Chairman of our Governance Committee and a member of our Compensation Committee.

William H. McMunn, 62, President, Chief Executive Officer and Chairman of the Board of Consolidated-Tomoka Land Co. Director (Class II) since 1999.

Mr. McMunn received his B.A. in Economics from Rollins College and an M.B.A. from Rollins in Business and Finance. Mr. McMunn is the immediate Past Chairman of the Association of Florida Community Developers, an association of many of the largest developers and builders in Florida. Mr. McMunn has over 35 years of experience in real estate and is an expert in all aspects of real estate development including site selection, permitting, master planning communities, development, construction, leasing, and sales. He directs all of our operations and manages implementation of our business plan. He is Chairman of the Executive Committee. He joined the Company in 1990.

John C. Myers, III, 62, Chairman of the Board of the Reinhold Corporation, a privately owned family corporation with Florida land holdings, forestry, an ornamental tree nursery, and other investments. Director (Class I) since 2006.

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Mr. Myers is a graduate of Rollins College with a B.A. He also received an M.B.A. from Rollins. He currently serves as a member of the Rollins College Board of Trustees and as a Trustee of the Reinhold Foundation. Before joining the Reinhold Corporation, he worked for the Walt Disney Company for 20 years holding various marketing positions and last served Walt Disney Attractions as Vice President, International Marketing, Domestic Marketing Offices and Product Development. The Reinhold Corporation owns 28,000 acres near Jacksonville, Florida, and its operations involve land management, planning, permitting, and developing their property. He is a member of our Compensation Committee and Governance Committee.

William L. Olivari, 65, Certified Public Accountant and Partner, Olivari & Associates. Director (Class II) since 2008.

Mr. Olivari graduated from Hofstra University with a B.B.A. in accounting. Much of his accounting practice is devoted to the representation of real estate developers and building contractors. Besides his accounting practice, he has served as an expert witness in court proceedings on bond validations, business valuations, lost income and business interruption. He is Chairman of the Board of the Commercial Bank of Volusia County, Inc., East Coast Community Bank, Daytona State College Foundation, the Halifax Community Health Foundation, Inc., and the Audit and Finance Committee of Halifax Community Health System, Inc. He serves on our Audit Committee.

DIRECTOR COMPENSATION FOR 2008

In 2008, we provided the following annual compensation to non-employee directors:

Name	Fees Earned or Paid in Cash (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$) ⁽¹⁾	Total (\$)
John C. Adams, Jr.	36,000	6,719	42,719
Bob D. Allen ⁽²⁾	23,583	0	23,583
William H. Davison	39,500	0	39,500
Gerald L. DeGood	44,250	0	44,250
James E. Gardner	38,500	2,154	40,654
James E. Jordan ⁽³⁾	10,250	0	10,250
John C. Myers, III	33,000	0	33,000
William L. Olivari	22,000	0	22,000
Linda Loomis Shelley	1,250	0	1,250
William J. Voges	36,000	2,234	38,234

(1) Amounts consist of above-market earnings during fiscal 2008 on compensation that was deferred through fiscal 2008 under the Director Deferred Compensation Plan. Above-market earnings reflect the interest earned in excess of the interest that would have been earned at a rate equal to 120% of the applicable federal long-term rate (AFR). Earnings under the plan were calculated using an average rate of 8.0% and 120% of the AFR was 5.35%.

(2) Resigned as a member of the Board of Directors on April 23, 2008.

(3) Resigned as a member of the Board of Directors on March 12, 2008.

Cash Compensation

Each non-employee director is paid an annual retainer of \$15,000, payable quarterly, in compensation for service as a director, plus \$1,500 for each board meeting attended. In addition, Mr. Allen, as Chairman of the Board, received an annual fee of \$40,000, payable quarterly, through his retirement on April 23, 2008. Members of the Board's Executive, Compensation, and Governance Committees also received \$1,000 for each committee meeting attended, and Audit Committee members received \$1,500 for each committee meeting attended, except that the Chairmen of the Compensation and Governance Committees received \$2,000 per meeting attended, and the Audit Committee Chairman received \$4,000 for each committee meeting attended. The non-employee director members of the Executive Committee, who are our two most senior independent members of the Board of Directors in years of service, are known as our Lead Directors and receive an additional annual fee of

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\$4,000, payable quarterly. For meetings via conference call, each director or committee member received \$500, and until Mr. Allen's retirement the Chairman received \$750 per meeting. Mr. McMunn, our Chairman, President and Chief Executive Officer, receives no director or committee member fees.

Director Deferred Compensation Plan

Under the Consolidated-Tomoka Land Co. Deferred Compensation Plan for Directors, amended and restated effective January 1, 2005 (the Director Deferred Compensation Plan), directors are eligible to defer receipt of all or a portion of their fees earned for service on the Board of Directors and its committees. Deferred compensation accrues interest annually at the before income tax equivalent average rate of return earned by us on our short-term investments, which was 8.0% in 2008. Participants will generally receive their funds in substantially equal annual installments over a 10-year period commencing after the director ceases to be a director. Three directors currently participate in the Director Deferred Compensation Plan.

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CORPORATE GOVERNANCE AND COMMITTEES OF THE BOARD OF DIRECTORS

Our Board is committed to responsible and effective corporate governance and regularly monitors developments in the area of corporate governance.

Independent Directors

The listing standards of the NYSE Alternext US (formerly the American Stock Exchange) require that we have a board of directors with at least a majority of independent directors. Our Board of Directors annually determines the independence of our directors based on these listing standards. No director is considered independent unless our Board has affirmatively determined that the director does not have a relationship that would interfere with the exercise of independent judgment in carrying out his or her responsibilities as a director. Generally, a director is not considered independent if the director (or in some cases, members of the director's immediate family) has, or in the past three years has had, certain material relationships or affiliations with us, our external or internal auditors, or other companies that do business with us.

Our Board has determined that the following directors, who constituted a majority of the members of our Board of Directors, were independent as of December 31, 2008 pursuant to Section 803 of the NYSE Alternext US Company Guide:

John C. Adams, Jr.
William H. Davison
Gerald L. DeGood
James E. Gardner

John C. Myers, III
William L. Olivari
Linda Loomis Shelley
William J. Voges

In determining Mr. Olivari's independence, our Board of Directors evaluated the relationship between Mr. Olivari and Halifax Community Health System, Inc. (the Hospital), which purchased land from us in 2003. Mr. Olivari is chairman of the Halifax Community Health Foundation Board (the Foundation) and of the Audit and Finance Committee (the Finance Committee) of the Hospital. The Foundation is a charitable organization that raises funds to support the Hospital, and the Finance Committee is an advisory board of local professionals that reviews the Hospital's financials. The Foundation and the Finance Committee do not set Hospital policy and do not exercise any control over the day-to-day operations of the Hospital or its board, whose members are appointed by the Governor of Florida. In addition, Mr. Olivari was appointed to the Foundation board in July 2006 and to the Finance Committee in May 2006, more than two years after the Hospital's construction obligations and our repurchase rights were memorialized in deed covenants, so he was not involved in the transaction on the Hospital's behalf, nor could he participate in or review such transactions. Mr. Olivari has also agreed to recuse himself from the consideration of or voting upon any actions concerning the Hospital. After considering these matters, the Board determined that Mr. Olivari did not have a relationship that would interfere with the exercise of independent judgment in carrying out his responsibilities as a director.

In determining Ms. Shelley's independence, our Board of Directors considered the fact that in 2004 we retained the services of Fowler White Boggs P.A., the law firm at which Ms. Shelley is a shareholder, in connection with a permit from the Army Corps of Engineers, and confirmed that Ms. Shelley was not involved in this matter. Also, in 2003 Mr. Apgar, our Senior Vice President General Counsel and Assistant Secretary, served on a countywide water committee (not directly related to our business) that used the services of Fowler White Boggs P.A., and Ms. Shelley participated in a few of those meetings. Our Board also considered the business relationship between Ms. Shelley and director John C. Myers, III. Since 2003, Ms. Shelley has been advising the Reinhold Corporation from time to time with respect to land use issues pertaining to a tract of land owned by the Corporation. Mr. Myers is the Reinhold Corporation's Executive Chairman of the Board. The Corporation is wholly owned by The Reinhold Family Trust, of which Mr. Myers is one of seven trustees. After considering these matters, the Board determined that Ms. Shelley did not have a relationship that would interfere with the exercise of independent judgment in carrying out her responsibilities as a director.

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In determining Mr. Davison's independence, our Board of Directors evaluated the relationship between Mr. Davison and SunTrust Bank, with whom we have a business relationship. Our Board considered that Mr. Davison retired as chairman, president and chief executive officer of SunTrust Bank, East Central Florida in 2007. Our Board also considered that Mr. Davison's sole ongoing relationship with SunTrust is his service on a local SunTrust Advisory Board, which has no role in the affairs or operations of SunTrust Bank or policy-making function. The Advisory Board serves as a convenient forum for the exchange of ideas about local and industry economic trends with other local business and professional leaders. After considering these matters, the Board determined that Mr. Davison did not have a relationship that would interfere with the exercise of independent judgment in carrying out his responsibilities as a director.

Our Board has also determined that director nominees John J. Allen and Jeffrey B. Fuqua are independent.

Our independent directors hold a formal meeting following each Board of Directors meeting, separate from management and non-independent directors.

Director Attendance at Meetings

During 2008, our Board of Directors held four regularly scheduled meetings and five special meetings and acted once by unanimous written consent. All members of the Board of Directors attended more than 75% of all of the meetings of the Board and all committees on which they served during 2008.

Our policy is to encourage members of the Board of Directors to attend the Annual Meeting of Shareholders. All directors attended the 2008 Annual Meeting of Shareholders.

Executive Committee

The Executive Committee, which held one meeting in 2008, has the authority, during intervals between meetings of the Board of Directors, to exercise power on matters designated by the Board. The Lead Directors of the Executive Committee communicate on a regular basis with the Chairman/CEO. A copy of the Executive Committee Charter may be obtained free of charge upon written request to our Corporate Secretary at Post Office Box 10809, Daytona Beach, Florida 32120-0809.

Audit Committee

The Audit Committee, which held five meetings in 2008, assists the Board of Directors in fulfilling its oversight responsibilities with respect to the integrity of our financial statements, our compliance with legal and regulatory requirements, the qualifications, independence and performance of our independent auditor, our systems of internal controls over financial reporting established by management and the Board, and our auditing, accounting and financial reporting processes generally. KPMG LLP, our independent auditor for its fiscal year ended December 31, 2008, reported directly to the Audit Committee.

The Audit Committee acts under a written charter adopted by the Board of Directors, which was amended February 18, 2009. The current charter of the Audit Committee is available in the Investor Relations section of our website (www.ctlc.com). A copy of this charter may also be obtained free of charge upon written request to our Corporate Secretary at Post Office Box 10809, Daytona Beach, Florida 32120-0809.

All members of the Audit Committee are independent under the listing standards of the NYSE Alternext US and Rule 10A-3 promulgated under the Securities Exchange Act of 1934. All Audit Committee members possess the level of financial literacy required by the listing standards of the NYSE Alternext US. Mr. DeGood, as Chairman of the Audit Committee, meets the current standard of requisite financial management expertise as required by the NYSE Alternext US and is an audit committee financial expert as defined by rules adopted by the Securities and Exchange Commission.

The Audit Committee has adopted Policies and Procedures for Complaints and Concerns Regarding Accounting, Internal Accounting Controls, and Auditing Matters to enable confidential and anonymous reporting

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to the Audit Committee. Any person who has a concern or complaint regarding such matters may notify the Audit Committee by sending an e-mail to GLdegood@msn.com or by submitting the complaint by certified return receipt letter to: Gerald L. DeGood, 27187 Old Spring Lake Road, Brooksville, Florida, 34602.

Compensation Committee

The Compensation Committee, which held four meetings in 2008, assists the Board of Directors in discharging its responsibilities relating to the compensation of our chief executive officer and other officers and key employees, reviews and discusses with management our Compensation Discussion and Analysis set forth below, and administers the 2001 Stock Option Plan. The Compensation Committee may form and delegate its authority to subcommittees when appropriate.

The Compensation Committee has primary responsibility for determining our compensation philosophy and recommending to the Board of Directors the approval of compensation for the named executive officers. The full Board of Directors (other than Mr. McMunn) aids the Compensation Committee by providing annual recommendations regarding the performance of Mr. McMunn, our Chairman, President and Chief Executive Officer. Mr. McMunn provides annual recommendations regarding the compensation of the other named executive officers and all other managers whose annual total compensation exceeds \$75,000. In addition, the Compensation Committee has the sole authority to hire, and to dismiss, a compensation consultant. The Compensation Committee retained Towers Perrin, a global professional services firm, to perform a comprehensive review, including benchmarking and peer company comparisons, of our executive compensation program for the 2008 fiscal year, including base salaries, bonuses and incentive compensation and benefit plans and arrangements, and stock option granting practices. The reports prepared by Towers Perrin were reviewed by the Compensation Committee in evaluating and establishing 2008 and 2009 executive compensation.

The Compensation Committee acts under a written charter adopted by the Board of Directors, which was amended January 24, 2007. The current charter of the Compensation Committee is available in the Investor Relations section of our website (www.ctlc.com). A copy of this charter may also be obtained free of charge upon written request to our Corporate Secretary at Post Office Box 10809, Daytona Beach, Florida 32120-0809.

The Compensation Committee of the Board of Directors consists solely of independent directors under the listing standards of the NYSE Alternext US.

Governance Committee

The Governance Committee, which held five meetings during 2008, was formed to perform the functions of a nominating committee and recommends to the Board individuals who are qualified to become members of the Board (based on criteria approved by the Committee) and nominees for the Board for annual meetings of the shareholders. All members of the Governance Committee are independent under the listing standards of the NYSE Alternext US.

The Governance Committee operates under a formal charter, which was amended on April 23, 2008, that governs its duties and standards of performance. The current charter of the Governance Committee is available in the Investor Relations section of our website (www.ctlc.com). A copy of this charter may also be obtained free of charge upon written request to our Corporate Secretary at Post Office Box 10809, Daytona Beach, Florida 32120-0809.

Consideration of Director Nominees

The Governance Committee will consider recommendations from shareholders for nominations for candidates for membership on the Board of Directors. To recommend a candidate to the Committee, shareholders should submit recommendations in writing to our Corporate Secretary at Post Office Box 10809, Daytona Beach,

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Florida 32120-0809. A nominating recommendation must be accompanied by the following information concerning each recommending shareholder: (a) the name and address, including telephone number, of the recommending shareholder; (b) the number of our shares owned by the recommending shareholder and the time period for which such shares have been held; (c) if the recommending shareholder is not a shareholder of record, a statement from the record holder of the shares verifying the holdings of the shareholder and a statement from the recommending shareholder of the length of time that the shares have been held (alternatively, the shareholder may furnish a current Schedule 13D, Schedule 13G, Form 3, Form 4 or Form 5 filed with the Securities and Exchange Commission reflecting the holdings of the shareholder, together with a statement of the length of time that the shares have been held); and (d) a statement from the shareholder as to whether the shareholder has a good faith intention to continue to hold the reported shares through the date of our next annual meeting of shareholders.

In addition, a nominating recommendation must be accompanied by the following information concerning the proposed nominee: (a) the name, business address, and residence address of the proposed nominee; (b) the principal occupation or employment of the proposed nominee; (c) the class or series and number of shares of our capital stock, if any, which are owned beneficially and of record by the proposed nominee; and (d) any other information regarding the proposed nominee that would be required to be included in a proxy statement or other filings required to be made in connection with the solicitations of proxies for election of directors pursuant to Section 14 of the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder, had the proposed nominee been nominated by the Board of Directors. The nominating recommendation must also describe all relationships between the proposed nominee, his immediate family, and the recommending shareholder, including management of any corporate shareholder, and any agreements or understandings between the recommending shareholder and the nominee regarding the nomination. The recommending shareholder must furnish a statement supporting its view that the proposed nominee possesses the minimum qualifications prescribed by the Committee for nominees, and briefly describing the contributions that the nominee would be expected to make to the Board and to our governance. The statement should include whether, in the view of the shareholder, the nominee, if elected, would represent all shareholders and not serve for the purpose of advancing or favori