
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

R Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended March 31, 2013

or

£ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission File Number: 0-261

Alico, Inc.

(Exact name of registrant as specified in its charter)

Florida

*(State or other jurisdiction of
incorporation or organization)*

59-0906081

*(I.R.S. Employer
Identification No.)*

10070 Daniels Interstate Court Fort Myers, FL

(Address of principal executive offices)

33913

(Zip Code)

Registrant's telephone number, including area code: **239-226-2000**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. R Yes £ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). R Yes £ No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer £ Accelerated filer R Non-accelerated filer £ Smaller reporting company £
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). £ Yes R No

There were 7,299,619 shares of common stock, par value \$1.00 per share, outstanding as of May 1, 2013.

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Part I. Financial Information

Item 1. Financial Statements

ALICO, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

(dollars in thousands, except for per share amounts)

	<u>Three months ended March 31,</u>		<u>Six months ended March 31,</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Operating revenues:				
Citrus Groves	\$17,062	\$25,094	\$24,455	\$33,502
Agricultural Supply Chain Management	11,870	20,288	17,159	30,794
Improved Farmland	8,929	7,822	16,919	14,163
Ranch and Conservation	338	751	856	1,407
Other Operations	211	142	377	278
Total operating revenue	<u>38,410</u>	<u>54,097</u>	<u>59,766</u>	<u>80,144</u>
Operating expenses:				
Citrus Groves	12,839	13,851	18,699	19,008
Agricultural Supply Chain Management	11,257	19,532	16,791	29,727
Improved Farmland	7,142	6,017	13,016	10,777
Ranch and Conservation	63	250	260	457
Other Operations	95	209	200	423
Total operating expenses	<u>31,396</u>	<u>39,859</u>	<u>48,966</u>	<u>60,392</u>
Gross profit	7,014	14,238	10,800	19,752
Corporate general and administrative	<u>2,464</u>	<u>1,807</u>	<u>4,272</u>	<u>3,797</u>
Income from operations	4,550	12,431	6,528	15,955
Other (expense) income:				
Interest and investment income, net	275	(66)	361	42
Interest expense	(311)	(467)	(678)	(936)
Other income, net	59	31	36	32
Total other income (expense), net	<u>23</u>	<u>(502)</u>	<u>(281)</u>	<u>(862)</u>
Income before income taxes	4,573	11,929	6,247	15,093
Income tax expense	<u>1,800</u>	<u>4,515</u>	<u>2,436</u>	<u>5,746</u>
Net income	<u>\$2,773</u>	<u>\$7,414</u>	<u>\$3,811</u>	<u>\$9,347</u>
Weighted-average number of shares outstanding				
Basic	<u>7,293</u>	<u>7,355</u>	<u>7,324</u>	<u>7,354</u>
Diluted	<u>7,320</u>	<u>7,355</u>	<u>7,337</u>	<u>7,354</u>
Earnings per common share amounts:				
Basic	\$0.38	\$1.01	\$0.52	\$1.27
Diluted	\$0.38	\$1.01	\$0.52	\$1.27
Cash dividends declared per common share	\$0.08	\$0.04	\$0.08	\$0.08

See accompanying notes to condensed consolidated financial statements (unaudited).

ALICO, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

(dollars in thousands, except for share amounts)

	<u>March 31,</u> <u>2013</u>	<u>September 30,</u> <u>2012</u>
	<u>(unaudited)</u>	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,513	\$ 13,328
Restricted cash	—	2,500
Investments	259	257
Accounts receivable, net	9,062	3,071
Income tax receivable	73	1,327
Inventories	22,345	27,290
Assets held for sale	—	2,475
Other current assets	1,388	1,219
Total current assets	<u>36,640</u>	<u>51,467</u>
Investment in Magnolia Fund	5,932	5,607
Investments, deposits and other non-current assets	2,052	2,145
Deferred income taxes	2,168	2,168
Cash surrender value of life insurance	858	862
Property, buildings and equipment, net	130,906	122,834
Total assets	<u>\$ 178,556</u>	<u>\$ 185,083</u>
LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 5,367	\$ 4,929
Long-term debt, current portion	2,000	3,267
Accrued expenses	1,258	2,488
Income taxes payable	767	484
Dividend payable	583	883
Accrued ad valorem taxes	545	1,685
Other current liabilities	927	3,412
Total current liabilities	<u>11,447</u>	<u>17,148</u>
Long-term debt, net of current portion	35,000	36,633
Deferred retirement benefits, net of current portion	3,828	3,756
Total liabilities	<u>50,275</u>	<u>57,537</u>
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, no par value. Authorized 1,000,000 shares; issued and outstanding, none	—	—
Common stock, \$1 par value; 15,000,000 shares authorized; 7,377,106 shares issued and 7,289,813 and 7,353,871 shares outstanding at March 31, 2013 and September 30, 2012, respectively	7,377	7,377
Additional paid in capital	9,147	9,053
Treasury stock at cost, 87,293 and 23,235 shares held at March 31, 2013 and September 30, 2012, respectively	(3,132)	(543)
Retained earnings	114,889	111,659
Total stockholders' equity	<u>128,281</u>	<u>127,546</u>
Total liabilities and stockholders' equity	<u>\$ 178,556</u>	<u>\$ 185,083</u>

See accompanying notes to condensed consolidated financial statements (unaudited).

ALICO, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(dollars in thousands)

	Six months ended March 31	
	2013	2012
Net cash flows provided by operating activities	\$ 6,942	\$ 13,600
Cash flows from investing activities:		
Purchases of property and equipment	(12,973)	(7,901)
Decrease in restricted cash	2,500	—
Decrease in real estate deposits	(2,500)	—
Proceeds from disposals of property and equipment	2,794	550
Return on investment in Magnolia	—	1,341
Proceeds from sales of investments	—	735
Collections of mortgages and notes receivable	13	28
Net cash used in investing activities	(10,166)	(5,247)
Cash flows from financing activities:		
Principal payments on notes payable	(2,900)	(1,641)
Borrowings on revolving line of credit	1,386	25,179
Repayments on revolving line of credit	(1,386)	(30,996)
Treasury stock purchases	(2,810)	(288)
Dividends paid	(881)	(1,175)
Net cash used in financing activities	(6,591)	(8,921)
Net decrease in cash and cash equivalents	(9,815)	(568)
Cash and cash equivalents at beginning of period	13,328	1,336
Cash and cash equivalents at end of period	\$ 3,513	\$ 768
Supplemental disclosures of cash flow information:		
Cash paid for interest, net of amount capitalized	\$ 520	\$ 921
Cash paid for income taxes	\$ 1,168	\$ 2,915

See accompanying notes to condensed consolidated financial statements (unaudited).

ALICO, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
(Dollars in thousands except for share and per share data)

Note 1. Description of Business and Basis of Presentation

Description of Business

Alico Inc. (“Alico”) and its wholly owned subsidiaries (collectively, the “Company”) is an agribusiness and land management company. The Company owns approximately 130,400 acres of land in five Florida counties (Collier, Glades, Hendry, Lee and Polk). Our principal lines of business are citrus groves, improved farmland including sugarcane, cattle ranching and conservation, and other operations which includes rock mining.

Basis of Presentation

The accompanying (a) condensed consolidated balance sheet as of September 30, 2012, which has been derived from audited financial statements, and (b) unaudited condensed consolidated interim financial statements (the “Financial Statements”) of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). The Financial Statements include all adjustments, consisting of normal and recurring adjustments, which in the opinion of management were necessary for a fair presentation of the financial position, results of operations and cash flows for the periods presented. The results of the interim period are not necessarily indicative of the results for any other interim periods or the entire fiscal year.

The Financial Statements have been presented according to the rules and regulations of the Securities and Exchange Commission (“SEC”), instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Certain information, footnotes and disclosures normally included in annual financial statements prepared in accordance with GAAP have been condensed or omitted in accordance with those rules and regulations. The Company believes that the disclosures made are adequate to make the information not misleading. The Financial Statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the year ended September 30, 2012.

Principles of Consolidation

The Financial Statements include the accounts of Alico, and its wholly owned subsidiaries, Alico Land Development, Inc. (“ALDI”), Alico-Agri, Ltd. (“Alico-Agri”), Alico Plant World, LLC and Alico Fruit Company, LLC (formerly known as Bowen Brothers Fruit Company, LLC) (“Alico Fruit”). All significant intercompany accounts and transactions have been eliminated in consolidation.

Reclassifications

Certain reclassifications have been made to the prior years’ consolidated financial statements to conform to the fiscal year 2013 presentation. These reclassifications had no impact on working capital, net income, stockholders’ equity or cash flows as previously reported.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates based upon future events. The Company periodically evaluates the estimates. The estimates are based on current and expected economic conditions, historical experience and various other specific assumptions that the Company believes to be reasonable.

Seasonality

The Company is primarily engaged in agriculture, which is of a seasonal nature and subject to the influence of natural phenomena and wide price fluctuations. The results of the reported period herein are not necessarily indicative of the results for any other interim periods or the entire fiscal year.

Recent Accounting Pronouncements

The Company does not believe that any recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force), the AICPA, or the SEC would have a material effect on its financial position, results of operations or cash flows.

Note 2. Inventories

A summary of the Company's inventories is presented below:

	<u>March 31, 2013</u>	<u>September 30, 2012</u>
Unharvested fruit crop on the trees	\$ 13,494	\$ 16,176
Unharvested sugarcane	6,037	10,185
Beef cattle	2,627	768
Other	187	161
Total Inventories	<u>\$ 22,345</u>	<u>\$ 27,290</u>

Note 3. Property, Buildings and Equipment, Net

Property, buildings and equipment consisted of the following at March 31, 2013 and September 30, 2012.

	<u>March 31, 2013</u>	<u>September 30, 2012</u>
Breeding herd	\$ 12,878	\$ 10,062
Buildings	11,234	10,975
Citrus trees	33,667	33,164
Sugarcane	15,834	12,617
Equipment and other facilities	45,158	42,043
Total depreciable properties	<u>118,771</u>	<u>108,861</u>
Less accumulated depreciation and depletion	<u>68,314</u>	<u>65,220</u>
Net depreciable properties	<u>50,457</u>	<u>43,641</u>
Land and land improvements	<u>80,449</u>	<u>79,193</u>
Net property, buildings and equipment	<u>\$ 130,906</u>	<u>\$ 122,834</u>

Lee County, Florida Properties

On October 3, 2012, the final two parcels of our Lee County, Florida properties closed. The total sales price for the parcels was \$2,475,000. At September 30, 2012, the parcels were included in assets held for sale on the Condensed Consolidated Balance Sheet totaling \$2,475,000 and a deposit for the parcels of \$2,500,000 was included in restricted cash and other current liabilities. On October 3, 2012, the restriction on the \$2,500,000 was lifted.

Note 4. Income taxes

Alico's effective tax rate was 39.0% and 38.1% for the six months ended March 31, 2013 and 2012, respectively.

The Company applies a "more likely than not" threshold to the recognition and non-recognition of tax positions. A change in judgment related to prior years' tax positions is recognized in the quarter of such change. The Company had no reserve for uncertain tax positions at March 31, 2013 and September 30, 2012. The Company recognizes interest and/or penalties related to income tax matters in income tax expense and in income taxes payable.

On May 16, 2012, the Company reached a settlement with the IRS related to its examination of the returns of Alico, Agri-Insurance, Ltd., (a former subsidiary of the Company) and Alico-Agri for the tax years 2005 through 2007. As a result of the settlement, the Company paid Federal taxes of \$613,000 and interest of \$225,000. On October 9, 2012, the Company paid the State of Florida \$318,000 for taxes and \$5,000 for interest as a result of the IRS settlement. The Company accrued \$149,000 at September 30, 2012, for additional state interest and penalties. The actual amount paid was \$135,000 for state interest. No amount was due for state penalties and the remaining accrual was reversed during the second quarter of fiscal year 2013.

Note 5. Long-Term Debt

Outstanding debt under the Company's various loan agreements is presented in the table below:

	Revolving line of credit	Term loan	Mortgage note payable	Total
March 31, 2013				
Principal balance outstanding	\$ —	\$ 37,000	\$ —	\$ 37,000
Remaining available credit	\$ 60,000	\$ —	\$ —	\$ 60,000
Effective interest rate	2.45 %	2.70 %	—%	
Scheduled maturity date	Oct 2020	Oct 2020	—	
Collateral	Real estate	Real estate	—	
September 30, 2012				
Principal balance outstanding	\$ —	\$ 38,000	\$ 1,900	\$ 39,900
Remaining available credit	\$ 60,000	\$ —	\$ —	\$ 60,000
Effective interest rate	2.48 %	2.73 %	6.68 %	
Scheduled maturity date	Oct 2020	Oct 2020	Mar 2014	
Collateral	Real estate	Real estate	Real estate	

The Company has a credit facility including a revolving line of credit ("RLOC") and term loan with Rabo AgriFinance, Inc. ("Rabo") totaling \$97,000,000. The revolving line of credit and term note are collateralized by 43,991 acres of farmland and 12,280 acres of additional real property containing approximately 8,600 acres of producing citrus groves.

The \$60,000,000 RLOC bears interest at a floating rate payable on the first day of each calendar quarter. The RLOC matures on October 1, 2020. At March 31, 2013, there was no outstanding balance on the RLOC. The Company pays an annual commitment fee on the RLOC equal to 0.15% of the difference between the annual average unpaid balance and the \$60,000,000 loan commitment. The commitment fee is payable on February 1 of each year. Commitment fees of approximately \$87,000 were paid during February 2013 and \$15,000 was accrued at March 31, 2013.

The interest rate on the RLOC is based on the one month LIBOR plus a spread. The spread is determined based upon our debt service coverage ratios for the preceding fiscal year and can vary from 225 to 250 basis points. The rate is currently at Libor plus 225 basis points. On October 1, 2015, Rabo may adjust the interest rate spread to any percentage above one month Libor. Rabo must provide a 30 day notice of the new spreads; at that time, the Company has the right to prepay the outstanding balance.

The term loan requires quarterly payments of interest at a floating rate of one month LIBOR plus 250 basis points. It also requires quarterly principal payments of \$500,000 through October 1, 2020, when the remaining principal balance and accrued interest will be due and payable.

At March 31, 2013 and September 30, 2012, Alico was in compliance with all of its covenants under the various Rabo loan agreements.

On October 10, 2012, the outstanding mortgage note held by Farm Credit of Florida was paid in full. The payment included \$1,794,000 for the principal balance and \$66,000 for a prepayment penalty which was included in interest expense on our consolidated statement of operations. The mortgage was collateralized by 7,680 acres of real estate used for farm leases, sugarcane and citrus production. The collateral was released upon satisfaction of the mortgage.

Maturities of the Company's debt were as follows at March 31, 2013:

Due within 1 year	\$	2,000
Due between 1 and 2 years		2,000
Due between 2 and 3 years		2,000
Due between 3 and 4 years		2,000
Due between 4 and 5 years		2,000
Due beyond five years		<u>27,000</u>
Total	\$	<u>37,000</u>

Interest costs expensed and capitalized to property, buildings and equipment were as follows:

	Three months ended		Six months ended	
	March 31,		March 31,	
	2013	2012	2013	2012
Interest expense	\$ 311	\$ 467	\$ 678	\$ 936
Interest capitalized	<u>12</u>	<u>9</u>	<u>29</u>	<u>38</u>
Total	<u>\$ 323</u>	<u>\$ 476</u>	<u>707</u>	<u>974</u>

Note 6. Disclosures about reportable segments

Lines of Business

The Company operates five lines of business related to our various land holdings. The lines of business are as follows:

- Citrus Groves include activities related to planting, owning, cultivating and/or managing citrus groves on prepared grove land in order to produce fruit for sale to fresh and processed citrus markets.
- Agricultural Supply Chain Management and Support includes activities related to value-added services which include contracting for harvesting, marketing and hauling and the purchase and resale of fruit.
- Improved Farmland includes activities related to planting, owning, cultivating, managing and/or leasing improved farmland. Improved farmland is acreage that has been recovered from native pasture and which has various improvements including irrigation, drainage and roads.
- Ranch and Conservation includes activities related to cattle grazing and management, sod, native plant and animal sales, leasing, management and/or conservation of unimproved native pasture land.
- Other Operations include activities related to rock and sand mining, oil exploration and other insignificant lines of business.

Segments

The Company is organized into six operating segments which span our five lines of business. The operating segments are strategic business units that offer different products and services. They are managed separately and decisions about allocation of resources are determined by our management team based on these strategic business units. The operating segments are as follows:

- Citrus Groves include activities related to planting, cultivating and/or managing citrus groves in order to produce fruit for delivery to fresh and processed citrus markets.
- Alico Fruit includes activities related to agricultural value-added services which include contracting for harvesting, hauling and marketing and the purchase and resale of fruit.
- Sugarcane includes activities related to planting, cultivating and/or managing sugarcane fields in order to produce sugarcane for sale to a sugar processor.
- Cattle includes the production of beef cattle for sale.
- Land Leasing and Rentals includes the leasing of land to others on a tenant-at-will basis for grazing, farming, oil and mineral exploration and recreational uses.
- Other Operations consists of insignificant operations that do not otherwise fit within the other five defined operating segments.

Intersegment sales and transfers are accounted for by the Company as if the sales or transfers were to third parties at current market prices. Goods and services produced by these segments are sold to wholesalers and processors in the United States which prepare the products for consumption. The Company evaluates the segments performance based on direct margins from operations before general and administrative costs, interest expense and income taxes, not including nonrecurring gains and losses.

The accounting policies of the segments are the same as those described in Note 1, Description of the Business and Basis of Presentation. Total revenues represent sales to unaffiliated customers, as reported in the Company's Condensed Consolidated Statements of Operations. All intercompany transactions have been eliminated.

Information by business segment is as follows:

	For the Three Months Ended March 31, 2013						Total
	Citrus Groves	Agricultural Supply Chain Management	Improved Farmland	Ranch and Conservation	Other Operations	Intra-Company Eliminations	
Revenues							
Alico Fruit	\$ —	\$ 16,134	\$ —	\$ —	\$ —	\$ (4,264)	\$11,870
Citrus Groves	17,062	—	—	—	—	—	17,062
Sugarcane	—	—	8,664	—	—	—	8,664
Cattle	—	—	—	11	—	—	11
Land leasing and rentals	—	—	265	247	109	—	621
Other operations	—	—	—	80	102	—	182
Total operating revenue	<u>17,062</u>	<u>16,134</u>	<u>8,929</u>	<u>338</u>	<u>211</u>	<u>(4,264)</u>	<u>38,410</u>
Operating expenses:							
Alico Fruit	—	15,521	—	—	—	(4,264)	11,257
Citrus Groves	12,839	—	—	—	—	—	12,839
Sugarcane	—	—	7,077	—	—	—	7,077
Cattle	—	—	—	8	—	—	8
Land leasing and rentals	—	—	65	55	72	—	192
Other operations(a)	—	—	—	—	23	—	23
Total operating expenses	<u>12,839</u>	<u>15,521</u>	<u>7,142</u>	<u>63</u>	<u>95</u>	<u>(4,264)</u>	<u>31,396</u>
Gross profit:							
Alico Fruit	—	613	—	—	—	—	613
Citrus Groves	4,223	—	—	—	—	—	4,223
Sugarcane	—	—	1,587	—	—	—	1,587
Cattle	—	—	—	3	—	—	3
Land leasing and rentals	—	—	200	192	37	—	429
Other operations(a)	—	—	—	80	79	—	159
Gross profit	<u>\$ 4,223</u>	<u>\$ 613</u>	<u>\$ 1,787</u>	<u>\$ 275</u>	<u>\$ 116</u>	<u>\$ —</u>	<u>\$ 7,014</u>

(a) Other operations include the former real estate segment, as well as other operating activities.

For the Three Months Ended March 31, 2012

	<u>Citrus Groves</u>	<u>Agricultural Supply Chain Management</u>	<u>Improved Farmland</u>	<u>Ranch and Conservation</u>	<u>Other Operations</u>	<u>Intra- Company Eliminations</u>	<u>Total</u>
Revenues							
Alico Fruit	\$ —	\$ 25,368	\$ —	\$ —	\$ —	\$ (5,080)	\$20,288
Citrus Groves	25,094	—	—	—	—	—	25,094
Sugarcane	—	—	7,572	—	—	—	7,572
Cattle	—	—	—	378	—	—	378
Land leasing and rentals	—	—	250	267	108	—	625
Other operations	—	—	—	106	34	—	140
Total operating revenue	<u>25,094</u>	<u>25,368</u>	<u>7,822</u>	<u>751</u>	<u>142</u>	<u>(5,080)</u>	<u>54,097</u>
Operating expenses:							
Alico Fruit	—	24,612	—	—	—	(5,080)	19,532
Citrus Groves	13,851	—	—	—	—	—	13,851
Sugarcane	—	—	5,912	—	—	—	5,912
Cattle	—	—	—	168	—	—	168
Land leasing and rentals	—	—	105	82	75	—	262
Other operations(a)	—	—	—	—	134	—	134
Total operating expenses	<u>13,851</u>	<u>24,612</u>	<u>6,017</u>	<u>250</u>	<u>209</u>	<u>(5,080)</u>	<u>39,859</u>
Gross profit:							
Alico Fruit	—	756	—	—	—	—	756
Citrus Groves	11,243	—	—	—	—	—	11,243
Sugarcane	—	—	1,660	—	—	—	1,660
Cattle	—	—	—	210	—	—	210
Land leasing and rentals	—	—	145	185	33	—	363
Other operations(a)	—	—	—	106	(100)	—	6
Gross profit	<u>\$11,243</u>	<u>\$ 756</u>	<u>\$ 1,805</u>	<u>\$ 501</u>	<u>\$ (67)</u>	<u>\$ —</u>	<u>\$14,238</u>

(a) Other operations include the former real estate segment, as well as other operating activities.

For the Six Months Ended March 31, 2013

	<u>Citrus Groves</u>	<u>Agricultural Supply Chain Management</u>	<u>Improved Farmland</u>	<u>Ranch and Conservation</u>	<u>Other Operations</u>	<u>Intra- Company Eliminations</u>	<u>Total</u>
Revenues							
Alico Fruit	\$ —	\$ 23,404	\$ —	\$ —	\$ —	\$ (6,245)	\$17,159
Citrus Groves	24,455	—	—	—	—	—	24,455
Sugarcane	—	—	16,471	—	—	—	16,471
Cattle	—	—	—	188	—	—	188
Land leasing and rentals	—	—	448	490	230	—	1,168
Other operations	—	—	—	178	147	—	325
Total operating revenue	<u>24,455</u>	<u>23,404</u>	<u>16,919</u>	<u>856</u>	<u>377</u>	<u>(6,245)</u>	<u>59,766</u>
Operating expenses:							
Alico Fruit	—	23,036	—	—	—	(6,245)	16,791
Citrus Groves	18,699	—	—	—	—	—	18,699
Sugarcane	—	—	12,834	—	—	—	12,834
Cattle	—	—	—	118	—	—	118
Land leasing and rentals	—	—	182	139	147	—	468
Other operations(a)	—	—	—	3	53	—	56
Total operating expenses	<u>18,699</u>	<u>23,036</u>	<u>13,016</u>	<u>260</u>	<u>200</u>	<u>(6,245)</u>	<u>48,966</u>
Gross profit:							
Alico Fruit	—	368	—	—	—	—	368
Citrus Groves	5,756	—	—	—	—	—	5,756
Sugarcane	—	—	3,637	—	—	—	3,637
Cattle	—	—	—	70	—	—	70
Land leasing and rentals	—	—	266	351	83	—	700
Other operations(a)	—	—	—	175	94	—	269
Gross profit	<u>\$ 5,756</u>	<u>\$ 368</u>	<u>\$ 3,903</u>	<u>\$ 596</u>	<u>\$ 177</u>	<u>\$ —</u>	<u>\$10,800</u>

(a) Other operations include the former real estate segment, as well as other operating activities.

For the Six Months Ended March 31, 2012

	<u>Citrus Groves</u>	<u>Agricultural Supply Chain Management</u>	<u>Improved Farmland</u>	<u>Ranch and Conservation</u>	<u>Other Operations</u>	<u>Intra- Company Eliminations</u>	<u>Total</u>
Revenues							
Alico Fruit	\$ —	\$ 37,707	\$ —	\$ —	\$ —	\$ (6,913)	\$30,794
Citrus Groves	33,502	—	—	—	—	—	33,502
Sugarcane	—	—	13,659	—	—	—	13,659
Cattle	—	—	—	600	—	—	600
Land leasing and rentals	—	—	504	542	210	—	1,256
Other operations	—	—	—	265	68	—	333
Total operating revenue	<u>33,502</u>	<u>37,707</u>	<u>14,163</u>	<u>1,407</u>	<u>278</u>	<u>(6,913)</u>	<u>80,144</u>
Operating expenses:							
Alico Fruit	—	36,640	—	—	—	(6,913)	29,727
Citrus Groves	19,008	—	—	—	—	—	19,008
Sugarcane	—	—	10,551	—	—	—	10,551
Cattle	—	—	—	318	—	—	318
Land leasing and rentals	—	—	226	139	151	—	516
Other operations(a)	—	—	—	—	272	—	272
Total operating expenses	<u>19,008</u>	<u>36,640</u>	<u>10,777</u>	<u>457</u>	<u>423</u>	<u>(6,913)</u>	<u>60,392</u>
Gross profit:							
Alico Fruit	—	1,067	—	—	—	—	1,067
Citrus Groves	14,494	—	—	—	—	—	14,494
Sugarcane	—	—	3,108	—	—	—	3,108
Cattle	—	—	—	282	—	—	282
Land leasing and rentals	—	—	278	403	59	—	740
Other operations(a)	—	—	—	265	(204)	—	61
Gross profit	<u>\$14,494</u>	<u>\$ 1,067</u>	<u>\$ 3,386</u>	<u>\$ 950</u>	<u>\$ (145)</u>	<u>\$ —</u>	<u>\$19,752</u>

(a) Other operations include the former real estate segment, as well as other operating activities.

	Three months ended		Six months ended	
	March 31,		March 31,	
	2013	2012	2013	2012
Depreciation, depletion and amortization:				
Alico Fruit	\$ 61	\$ 57	\$ 123	\$ 101
Citrus Groves	524	522	1,043	1,043
Sugarcane	1,334	1,109	2,414	1,920
Cattle	329	304	544	536
Land Leasing and Rentals	96	110	192	217
Total segment depreciation, depletion and amortization	2,344	2,102	4,316	3,817
Other depreciation, depletion and amortization	142	109	322	290
Total depreciation, depletion and amortization	<u>\$ 2,486</u>	<u>\$ 2,211</u>	<u>\$ 4,638</u>	<u>\$ 4,107</u>

	March 31, 2013	September 30, 2012
Total assets:		
Alico Fruit	\$ 2,172	\$ 2,066
Citrus Groves	47,421	47,154
Sugarcane	67,624	63,916
Cattle	15,441	11,274
Land leasing and rentals	4,597	4,905
Segment assets	137,255	129,315
Other corporate assets	41,301	55,768
Total assets	<u>\$ 178,556</u>	<u>\$ 185,083</u>

Note 7. Stockholders' Equity

Effective November 1, 2008, the Company's Board of Directors authorized the repurchase of up to 350,000 shares of the Company's common stock through November 1, 2013 for the purpose of funding restricted stock grants under its 2008 Equity Incentive Plan (the "2008 Plan"). The 2008 Plan was approved by shareholders on February 20, 2009. The stock repurchases began in November 2008 and were made on a quarterly basis through open market transactions at times and in such amounts as the Company's broker determines subject to the provisions of SEC Rule 10b-18. Effective April 1, 2013, the Board of Directors adopted the 2013 Incentive Plan (the "2013 Plan") which supersedes the 2008 Plan. The 2013 Plan was approved by shareholders at the February 22, 2013 shareholders meeting. Under the terms of the 2013 Plan, 350,000 shares of the Company's common stock may be purchased and reserved for awards.

The following table provides information relating to purchases of the Company's common shares on the open market pursuant to the 2008 Plan for the six months ended March 31, 2013:

	Shares	Cost
Balance September 30, 2012	23,235	\$ 543
Purchases	73,768	2,810
Issuances to Directors	(9,710)	(221)
Balance March 31, 2013	<u>87,293</u>	<u>\$ 3,132</u>

Through March 31, 2013, the Company had purchased 163,376 shares and had available to purchase an additional 186,654 shares in accordance with the 2008 Plan which was superseded by the 2013 Plan on April 1, 2013.

Stock-based compensation expense recognized in the Condensed Consolidated Statement of Operations in general and administrative expenses was \$174,000 and \$315,000 for the three and six months ended March 31, 2013, respectively, and \$125,000 and \$246,000 for the three and six months ended March 31, 2012, respectively. Stock-based compensation is recorded for the Board of Directors fees paid in treasury stock and the Long Term Incentive Compensation Plan restricted common stock awards.

Long Term Incentive Plan

On May 26, 2011, the Company's Board of Directors approved the adoption of the Long-Term Incentive Program (the "Program"), as part of the 2008 Plan. The Compensation Committee and the Board of Directors of the Company approved the contingent award of 152,403

shares of common stock to the Named Executive Officers (the "NEOs") of the Company. On May 26, 2011, 58,610 shares were granted to the NEOs other than the Chief Executive Officer ("CEO") and on April 19, 2012, 93,793 shares

were awarded to the CEO under restricted stock award agreements. The total value of the awards at the grant date were \$321,000. The value was determined by application of a valuation model. In addition to the various criteria outlined herein, the model assumed annual volatility of 53.3% and a risk free interest rate of 2.80%.

Performance Criteria:

Either the "Performance Criteria" or "Partial Performance" must be achieved during the five year period following the award date (the "Performance Period") as well as certain service conditions for the CEO and/or the NEOs to receive the awards. The performance criteria will have been achieved if, at any time during the Performance Period, the average of the closing prices of the common stock over the most recent 20 consecutive trading day period exceeds (i) \$46.00 for the CEO and \$50.40 for the NEOs (representing 200% of the 20 Day Average Closing Price determined as of the Award Date at any time during the three year period commencing on the award date, or the "base stock price"), or (ii) \$49.22 for the CEO and \$53.93 for the NEOs (representing 214% of the base stock price) at any time during the one year period commencing on the third anniversary of the award date and ending on the fourth anniversary of the award date, or (iii) \$52.44 for CEO and \$57.46 for other NEOs (representing 228% of the base stock price) at any time during the one year period commencing on the fourth anniversary of the award date and ending on the fifth anniversary of the award date. If the 20 Day Average Closing Price equals or exceeds 100% of the applicable target average stock price on any day during the Performance Period, the recipients will be awarded, subject to vesting, 100% of the shares. Participants must be employed in an executive position through the following dates to receive their stock awards: (i) Fifty Percent (50%) of the Award Level shall immediately vest upon achievement of the Target Average Stock Price (the "Achievement Date"), (ii) Twenty-Five Percent (25%) of the Award Level shall vest on the first anniversary of the Achievement Date, and (iii) Twenty-Five Percent (25%) of the Award Level shall vest on the second anniversary of the Achievement Date.

If the Performance Criteria is not achieved during the Performance Period, but at any time during the Performance Period the 20 Day Average Closing Price exceeds 90% of the applicable target average stock price, then fifty percent (50%) of the common shares will be awarded, subject to vesting, at the end of the Performance Period ("Partial Performance"). Participants must be employed in an executive position through the following dates to receive their stock awards: (i) Twenty-Five Percent (25%) of the Award Level shall vest on the last day of the Performance Period ("Partial Performance Achievement Date" in the case of Partial Performance), (ii) Twelve and One-Half Percent (12.5%) of the Award Level shall vest on the first anniversary of the Partial Performance Achievement Date and (iii) Twelve and One-Half Percent (12.5%) of the Award Level shall vest on the second anniversary of the Partial Performance Achievement Date.

No restricted common stock will be awarded under the Program unless the Performance Criteria or Partial Performance Criteria are achieved during the five year period following the Award Date as specified. Each participant signed an award agreement with the Company setting forth the terms of the award.

On February 8, 2013, the CEO's restricted common stock award under the Program exceeded 90% of the applicable Target Average Stock Price in accordance with the Partial Performance Criteria. Additionally, on April 3, 2013, the NEO's stock awards under the Program exceeded 90% of the applicable Target Average Stock Price.

The portion of stock-based compensation expense recorded in general and administrative expenses in the Condensed Consolidated Statement of Operations for the six months ended March 31, 2013 for these market-based awards was \$27,000. The Company used a binomial model to calculate the fair value at the grant date.

In the event of a change in control, reorganization, liquidation or sale of the Company, all shares awarded but unvested will become fully vested provided the recipient remains employed by the Company through such event.

Note 8. Employee Benefits Plans

Management Security Plan

The Management Security Plan ("MSP") is a nonqualified, noncontributory defined supplemental deferred retirement benefit plan for a select group of management personnel. The MSP provides fixed supplement retirement benefits for 180 months. The MSP is frozen with no new participants being added. The MSP benefit expense and the projected obligation are determined using assumptions at the end of the fiscal year. The MSP currently is unfunded and benefits are paid as they become due. At March 31, 2013, the total balance of the deferred retirement benefits liability was \$4,170,000.

The Company has established a "Rabbi Trust" to provide for the funding of accrued benefits under the MSP. According to the terms of the Rabbi Trust, funding is voluntary until a change of control in the Management Security Plan(s) Trust Agreement occurs. Upon a change of control, funding is triggered. As of March 31, 2013, the Rabbi Trust had no assets, and no change of control had occurred.

Note 9. Contingencies

The Company is also involved from time to time in routine legal matters incidental to its business. When appropriate, the Company establishes estimated accruals for litigation matters which meet the requirements of ASC 450— *Contingencies*. Based upon available information, the Company believes that the resolution of such matters will not have a material adverse effect on its financial position or results of operations.

Note 10. Related Party Transactions

Atlantic Blue Group, Inc.

Atlantic Blue Group, Inc. (“Atlanticblue” or “ABG”) owns approximately 50.6% of Alico’s common stock. By virtue of its ownership percentage, Atlanticblue is able to elect all of the directors and, consequently, control Alico. Directors which also serve on Atlanticblue’s board are referred to as “affiliated directors”. Atlanticblue issued a letter dated December 3, 2009, reaffirming its commitment to maintain a majority of independent directors (which may include affiliated directors) on Alico’s board. To be considered independent under Nasdaq rules a director may not be employed by Alico or engage in certain types of business dealings with Alico. In addition as required by Nasdaq rules, the Board is required to make an affirmative determination that the director has no relationships which would interfere with the exercise of independent judgment in carrying out the responsibilities as a director.

John R. Alexander, a major shareholder in Atlanticblue and a director on the Atlanticblue Board of Directors, retired as the Company’s Chairman of the Board at the February 2013 shareholders meeting. Mr. Alexander’s son, JD Alexander, resigned March 31, 2012 as the President and Chief Executive Officer of Atlanticblue and did not stand for re-election as a director at the June 2012 Atlanticblue shareholders meeting. In February 2010, JD Alexander was appointed Alico’s President and Chief Executive Officer, and he serves on Alico’s Board of Directors. Robert E. Lee Caswell, John R. Alexander’s son-in-law, served as a director on Alico’s Board of Directors until its February 2013 shareholders meeting; he did not stand for re-election. Robert J. Viguet, Jr., an Alico director, did not stand for re-election as a director of Atlanticblue at its June 2012 shareholders meeting. Dykes Everett was elected to the Alico Board of Directors at the February 2013 shareholders meeting; he was nominated by Atlanticblue where he serves as a director.

Former director Baxter Troutman filed a derivative shareholder suit against John R. Alexander and JD Alexander in which a settlement agreement (“Agreement”) was reached on April 1, 2012. On May 16, 2012 the Circuit Court of the 10th Judicial Circuit in Polk County, FL approved the Agreement thereby settling the shareholder derivative action complaint. The Company, by determination of the Special Litigation Committee comprised of four independent directors of its Board of Directors, filed a motion seeking recovery of attorney fees and costs incurred in its defense. The Company is reimbursing Messrs.’ Alexander for legal fees used to defend themselves against the suit in accordance with the Board of Directors indemnification agreements. All reimbursements are approved by the Special Committee of the Board. Reimbursements for litigation were \$6,000 and \$7,000 on behalf of John R. Alexander, and \$0 and \$2,000 on behalf of JD Alexander, for the three and six months ended March 31, 2013, respectively. Reimbursements for litigation were \$71,000 and \$79,000 on behalf of John R. Alexander, and \$69,000 and \$182,000 on behalf of JD Alexander, for the three and six months ended March 31, 2012, respectively.

Alico Fruit is currently marketing citrus fruit for TRI-County Grove, LLC, a wholly owned subsidiary of Atlanticblue. During the three and six months ended March 31, 2013, Alico Fruit marketed 115,351 and 145,584 boxes of fruit, for approximately \$1,056,000 and \$1,307,000, respectively. During the three and six months ended March 31, 2012, Alico Fruit marketed 133,943 and 190,417 boxes of fruit, for approximately \$1,073,000 and \$1,627,000, respectively.

Ben Hill Griffin, Inc.

Ben Hill Griffin Inc. (“Griffin”) and its subsidiaries are controlled by Ben Hill Griffin, III, the brother-in-law of John R. Alexander, Alico’s former Chairman and Chief Executive Officer. No citrus fruit has been sold to Griffin during fiscal year 2013. Citrus revenues of \$254,000 and \$374,000 were recognized for a portion of citrus crops sold under a marketing agreement with for Griffin the three and six months ended March 31, 2012, respectively. Accounts receivable in the Condensed Consolidated Balance Sheets include amounts due from Griffin of \$26,000 and \$94,000 at March 31, 2013 and September 30, 2012, respectively. These amounts represent estimated revenues to be received periodically under pooling agreements as the sale of pooled products is completed.

Alico purchases fertilizer and other miscellaneous supplies, services, and operating equipment from Griffin on a competitive bid basis, for use in its cattle, sugarcane, sod and citrus operations. Such purchases totaled \$8,000 and \$17,000 for the three and six months ended March 31, 2013 and \$509,000 and \$817,000 for the three and six months ended March 31, 2012, respectively. The accompanying Condensed Consolidated Balance Sheets include accounts payable to Griffin for fertilizer and other crop supplies totaling approximately \$0 and \$10,000 at March 31, 2013 and September 30, 2012, respectively.

Other

Mr. Charles Palmer, an independent Board Member, leased approximately 2,300 acres with the Company for a recreational lease in fiscal years 2013 and 2012. He pays approximately \$33,000 annually at the customary terms and rates the Company extends to third parties.

ITEM 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Forward-Looking Statements

We make forward-looking statements in this Quarterly Report, particularly in this Management's Discussion and Analysis, pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Any statements in this Quarterly Report that are not historical facts are forward-looking statements. Forward-looking statements include, but are not limited to, statements that express our intentions, beliefs, expectations, strategies, predictions or any other statements relating to our future activities or other future events or conditions. These statements are based on our current expectations, estimates and projections about our business based, in part, on assumptions made by our management. These assumptions are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in the forward-looking statements due to numerous factors, including those risks factors described in our Annual Report on Form 10-K for the year ended September 30, 2012 and our Quarterly Reports on Form 10-Q.

Overview

We own approximately 130,400 acres of land in five Florida counties (Collier, Glades, Hendry, Lee and Polk), and operate five lines of business.

Lines of Business

We operate five lines of business related to our various land holdings.

- Citrus Groves include activities related to planting, owning, cultivating and/or managing citrus groves on prepared grove land in order to produce fruit for sale to fresh and processed citrus markets.
- Agricultural Supply Chain Management and Support includes activities related to value-added services which include contracting for harvesting, marketing and hauling and the purchase and resale of fruit.
- Improved Farmland includes activities related to planting, owning, cultivating, managing and/or leasing improved farmland. Improved farmland is acreage that has been converted from native pasture and has various improvements including irrigation, drainage and roads.
- Ranch and Conservation includes activities related to cattle herd grazing and management, sod, native plant and animal sales, leasing, management and/or conservation of unimproved native pastureland.
- Other Operations include activities related to rock and sand mining, oil exploration, office building leasing and other insignificant lines of business.

Segments

We are organized into six operating segments which span our five lines of business. Our operating segments are strategic business units that offer different products and services. They are managed separately and decisions about allocation of resources are determined by our management team based on these strategic business units. Our operating segments are as follows:

- Citrus Groves include activities related to planting, cultivating and/or managing citrus groves in order to produce fruit for sale to fresh and processed citrus markets.
- Alico Fruit includes activities related to agricultural value-added services which include contracting for harvesting, hauling and marketing and the purchase and resale of fruit.
- Sugarcane includes activities related to planting, cultivating and/or managing sugarcane fields in order to produce sugarcane for sale to a sugar processor.
- Cattle includes the production of beef cattle for sale.
- Land Leasing and Rentals includes the leasing of land to others on a tenant-at-will basis for grazing, farming, oil and mineral exploration and recreational uses.
- Other Operations consists of insignificant operations that do not otherwise fit within the five defined operating segments.

Critical Accounting Policies and Estimates

The discussion and analysis of our financial condition and results of operations are based upon our unaudited condensed consolidated financial statements which have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets and liabilities, revenues and expenses, and related disclosures of contingent assets and liabilities. We base these estimates on historical experience, available current market information and on various other assumptions that management believes are reasonable under the circumstances. Additionally we evaluate the results of these estimates on an on-going basis. Management's estimates form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

There have been no significant changes during this reporting period to the policies and disclosures set forth in Part II, Item 7 in our Annual Report on Form 10-K for the fiscal year ended September 30, 2012.

Recently Issued Accounting Standards

See Item 1. Financial Statements, Note 1. Description of Business and Basis of Presentation in the Notes to Condensed Consolidated Financial Statements (Unaudited) included in this report for recently issued accounting standards, including the expected dates of adoption and estimated effects on our consolidated financial statements.

Recent Events

On January 28, 2013, Atlanticblue, the holder of 50.6% of Alico's common stock, informed Alico of its intention, in light of recent changes in the tax code relating to the sale of certain assets by "subchapter S corporations" such as Atlanticblue, to explore the potential sale of substantially all of its assets during the 2013 calendar year and, in connection therewith, to actively pursue the sale of its entire equity position in Alico to a strategic or financial buyer.

The Board of Directors of Alico has formed a Special Committee comprised of its independent Directors to explore working cooperatively with Atlanticblue, to investigate all transaction possibilities and to protect the interests of all shareholders. The Special Committee has engaged Deutsche Bank Securities Inc. to act as its financial advisors and Greenberg Traurig, P.A. to act as its legal counsel to assist and advise the Special Committee with respect to pursuing potential strategic and financial transaction alternatives, including merger, business combination and sale transaction involving Alico. The Special Committee intends to work with its independent financial and legal advisors to identify and evaluate all available strategic and financial alternatives to maximize shareholder value and that are in the best interests of Alico and its shareholders. Atlanticblue has informed Alico that it intends to work cooperatively with the Special Committee with respect to this process.

Results of Operations

Consolidated Results

The following table sets forth a comparison of results of operations for the three and six months ended March 31, 2013 and 2012:

(dollars in thousands)	Three months ended March 31,				Six months ended March 31,			
	2013	2012	Difference	% Change	2013	2012	Difference	% Change
Operating revenue	\$38,410	\$54,097	\$(15,687)	(29.0)%	\$59,766	\$80,144	\$(20,378)	(25.5)%
Operating expense	31,396	39,859	(8,463)	(21.3)%	48,966	60,392	(11,426)	(19.0)%
Gross profit	7,014	14,238	(7,224)	(50.8)%	10,800	19,752	(8,952)	(45.4)%
General and administrative expenses	2,464	1,807	657	36.4%	4,272	3,797	475	12.5%
Income from operations	4,550	12,431	(7,881)	(63.4)%	6,528	15,955	(9,427)	(59.1)%
Interest and investment income (loss), net	275	(66)	341	516.7%	361	42	319	759.6%
Interest expense	(311)	(467)	156	33.4%	(678)	(936)	258	(27.6)%
Other income, net	59	31	28	90.4%	36	32	4	12.5%
Income tax expense	(1,800)	(4,515)	2,715	60.2%	(2,436)	(5,746)	3,310	57.6%
Net income	<u>\$2,773</u>	<u>\$7,414</u>	<u>\$(4,641)</u>	(62.6)%	<u>\$3,811</u>	<u>\$9,347</u>	<u>\$(5,536)</u>	(59.3)%

Operating Revenue

The decrease in operating revenue of \$15,687,000 or 29.0% and \$20,378,000 or 25.5% for the three and six months ended March 31, 2013, as compared to the three months ended March 31, 2012, respectively, is primarily due to a decrease in the sale of citrus fruit by the Alico Fruit and Citrus Groves segments, partially offset by an increase in Sugarcane sales. See *Segment Results* below for further discussion of our revenues from operations.

Gross Profit

Gross profit decreased by \$7,224,000 or 50.8% and \$8,952,000 or 45.4% for the three and six months ended March 31, 2013, as compared to the three and six months ended March 31, 2012, respectively, primarily as a result of the decrease in the Citrus Groves segment. See *Segment Results* below for further discussion of our revenues and expenses from operations.

Operating revenue and gross profit of our Citrus Groves and Alico Fruit segments were negatively impacted by a combination of lower citrus prices and a smaller overall citrus crop. The smaller citrus crop is being driven primarily by higher than average premature fruit drop. Several factors may have caused the early drop, including drought, unfavorable weather conditions during the crops growing cycle and Citrus Greening. Citrus Greening is a bacterial disease that decreases the productivity of infected trees and causes fruit to drop early. The disease, which was first introduced into Florida in 2005, is spread by Asian Citrus Psyllids.

This harvest season's statewide environmental and horticultural factors have negatively impacted our crops, therefore, we expect the total number of boxes produced by our Citrus Groves segment and handled through Alico Fruit to decrease over the prior harvest season. The USDA, in its April 10, 2013 Citrus Forecast, indicated that it expects the Florida orange crop to decline by 8,700,000 boxes or approximately 6% versus the prior year. In each of its last five monthly estimates, the USDA has revised its estimate of the 2012/2013 Florida orange crop downward. Over the course of these revisions, the USDA has decreased its 2012/2013 Florida Orange crop estimate a total of 10%.

General and administrative expenses

General and administrative expenses increased by \$657,000 or 36.4% and \$475,000 or 12.5% for the three and six months ended March 31, 2013, as compared to the three and six months ended March 31, 2012. The increase was primarily due to the expenses incurred by the Special Committee of our Board of Directors pursuing strategic and financial alternatives, which totaled approximately \$628,000 during the second quarter of fiscal year 2013, partially offset by decreases in professional fees as a result of the IRS settlement and the settlement of shareholder derivative action complaint.

No expenses were incurred for the IRS audit appeals process in fiscal year 2013. Legal fees of \$7,000 and \$41,000 for the three and six months ended March 31, 2013, respectively, were incurred by the Special Litigation Committee in their efforts to recover costs from the shareholder derivative action complaint which was settled on April 1, 2012. For the three and six months ended March 31, 2012, \$175,000 and \$280,000 in legal fees were incurred as result of the IRS audit and appeals process, respectively, and \$186,000 and \$386,000 in legal fees were incurred in defense of the shareholder derivative action complaint, respectively.

Interest and investment income, net

Interest and investment income results primarily from our investment in Magnolia TC 2, LLC ("Magnolia") and interest bearing bank accounts. Interest and investment income increased by \$341,000 or 516.7% for the quarter ended March 31, 2013, as compared with the same period in 2012, and \$319,000 or 759.6% for the six months ended March 31, 2013, as compared to the six months ended March 31, 2012. The increase in interest and investment income was due to our investment in Magnolia.

In May 2010, we invested \$12,150,000 to obtain a 39% limited partner equity interest in Magnolia. Alico is accounting for the investment in Magnolia in accordance with the equity method of accounting in which we record our 39% interest in the reported income or loss of Magnolia each quarter. We recorded net investment income of \$245,000 and \$324,000 for the three and six months ended March 31, 2013, as compared to a net investment loss of \$87,000 and net investment income of \$10,000 for the three and six months ended March 31, 2012.

Interest expense

Interest expense decreased by \$156,000 or 33.4% for the three months ended March 31, 2013 as compared with the three months ended March 31, 2012. For the six months ended March 31, 2013, interest expense decreased by \$258,000 or 27.6% as compared to the six months ended March 31, 2012. The decrease in interest expense is primarily due to the reduction of our outstanding debt and the payoff of the \$1,794,000 Farm Credit of Florida mortgage note in the first quarter of fiscal year 2013 and, to a lesser extent, to a decrease in the average interest rates quarter-over-quarter. The decrease was partially offset by the pre-payment penalty incurred on the Farm Credit of Florida mortgage note of \$66,000 which was included in interest expense for the first quarter of fiscal year 2013.

The weighted average interest rate for the three and six months ended March 31, 2013, was 2.70% and 2.72%, respectively, as compared to 2.90% and 2.93% for the three and six months ended March 31, 2012, respectively. See Item 1. Financial Statements, Note 5. Long-Term Debt in the Notes to Condensed Consolidated Financial Statements (Unaudited).

Provision for income taxes

Income tax expense was approximately \$1,800,000 and \$4,515,000 for the three months ended March 31, 2013 and 2012, respectively. Alico's effective tax rate was 39.4% and 37.8% for the three months ended March 31, 2013 and 2012, respectively. Income tax expense was approximately \$2,436,000 and \$5,746,000 for the six months ended March 31, 2013 and 2012, respectively. Alico's effective tax rate was 39.0% and 37.8% for the six months ended March 31, 2013 and 2012, respectively.

Segment Results

Operating Revenue

(dollars in thousands)	Three months ended March 31,				Six months ended March 31,			
	2013	2012	Difference	% Change	2013	2012	Difference	% Change
Operating Revenues:								
Alico Fruit Company	\$11,870	\$20,288	\$(8,418)	(41.5)%	\$17,159	\$30,794	\$(13,635)	(44.3)%
Citrus Groves	17,062	25,094	(8,032)	(32.0)%	24,455	33,502	(9,047)	(27.0)%
Sugarcane	8,664	7,572	1,092	14.5%	16,471	13,659	2,812	20.6%
Cattle	11	378	(367)	(97.1)%	188	600	(412)	(68.7)%
Land leasing and rentals	621	625	(4)	(0.7)%	1,168	1,256	(88)	(7.0)%
Other	182	140	42	30.0%	325	333	(8)	(2.4)%
Total Operations Revenue	\$38,410	\$54,097	\$(15,687)	(29.0)%	\$59,766	80,144	\$(20,378)	(25.5)%

Gross Profit

(dollars in thousands)	Three months ended March 31,				Six months ended March 31,			
	2013	2012	Difference	% Change	2013	2012	Difference	% Change
Gross Profit:								
Alico Fruit Company	\$613	\$756	\$(143)	(19.0)%	\$368	\$1,067	\$(699)	(65.6)%
Citrus Groves	4,223	11,243	(7,020)	(62.5)%	5,756	14,494	(8,738)	(60.3)%
Sugarcane	1,587	1,660	(73)	(4.4)%	3,637	3,108	529	17.0%
Cattle	3	210	(207)	(98.6)%	70	282	(212)	(75.2)%
Land leasing and rentals	429	363	66	18.2%	700	740	(40)	(5.4)%
Other	159	6	153	2550.0%	269	61	208	341.0%
Gross Profit	\$7,014	\$14,238	\$(7,224)	(50.8)%	\$10,800	\$19,752	\$(8,952)	(45.4)%

Alico Fruit Company

Three months ended March 31, 2013 vs. Three months ended March 31, 2012

For the three months ended March 31, 2013, Alico Fruit's operations generated revenues of \$11,870,000 as compared to \$20,288,000 for the three months ended March 31, 2012, a decrease of \$8,418,000 or 41.5%. Revenues decreased as a result of fewer boxes sold at a lower market price per pound solids and lower pound solids per box.

For the three months ended March 31, 2013, fruit sales revenue was \$9,769,000 as compared to \$17,916,000 for the three months ended March 31, 2012, a decrease of \$8,147,000 or 45.5%. The number of boxes of citrus fruit sold for the quarter ended March 31, 2013 was 1,115,894 as compared to 1,437,310 for the quarter ended March 31, 2012, a decrease of 321,416 or 22.4%. The average sales price per box for the three months ended March 31, 2013 was \$8.75 as compared to \$12.46 for the three months ended March 31, 2012, a decrease of \$3.71 or 29.8%. The decrease in the price per box sold was driven by decreases in price per pound solids and the average pound solids per box. The average price per pound solids decreased to \$1.42 for the three months ended March 31, 2013 from \$1.93 per pound solids for the three months ended March 31, 2012, a decrease of 26.5%. For the three months ended March 31, 2013, the average pound solids per box was 6.15 as compared to an average pound solids per box of 6.45 for the three months ended March 31, 2012, a decrease 4.7%.

For the quarter ended March 31, 2013, value-added services revenue was \$2,095,000 as compared to approximately \$2,350,000

for the quarter ended March 31, 2012, a decrease of \$255,000 or 10.9%. The number of boxes to which value-added services applied was 1,392,000 for the quarter ended March 31, 2013 and 1,520,000 for the quarter ended March 31, 2012, a decrease of 128,000 or 8.5%.

Gross profit was \$613,000 for the three months ended March 31, 2013 as compared to \$756,000 for the three months ended March 31, 2012. Gross profit decreased by \$143,000 or 19.0% for the three months ended March 31, 2013, as compared to the same period in fiscal year 2012 due to the decrease in the number of boxes sold and unfavorable market pricing of citrus fruit.

Six months ended March 31, 2013 vs. Six months ended March 31, 2012

For the six months ended March 31, 2013, Alico Fruit's operations generated revenues of \$17,159,000 as compared to \$30,794,000 for the six months ended March 31, 2012, a decrease of \$13,635,000 or 44.3%. Revenues decreased as a result of fewer boxes sold at a lower market price per pound solid and lower pound solids per box.

For the six months ended March 31, 2013, fruit sales revenue was \$13,778,000 as compared to \$26,563,000 for the six months ended March 31, 2012, a decrease of \$12,785,000 or 48.2%. The number of boxes of citrus fruit sold for the six months ended March 31, 2013 was 1,646,000, as compared to 2,270,000 for the same period of fiscal year 2012, a decrease of 624,000 or 27.5%. The average sales price per box was \$8.37 for the six months ended March 31, 2013 as compared \$11.70 for six months ended March 31, 2012, a decrease of \$3.33 or 28.5%. The decrease in the price per box sold was driven by decreases in price per pound solids and the average pound solids per box. The average sales price per pound solids was \$1.40 per pound solids for the six months ended March 31, 2013 as compared to \$1.86 per pound solids for the six months ended March 31, 2012, a decrease of 24.8%. The average pounds solids per box was 5.99 per box for the six months ended March 31, 2013 as compared to 6.28 per box for the six months ended March 31, 2012, a decrease 4.7%.

For the six months ended March 31, 2013, value-added services revenue was \$3,028,000 as compared to \$3,741,000 for the six months ended March 31, 2012, a decrease of \$713,000 or 19.1%. The number of boxes to which value-added services applied was 1,964,000 for the six months ended March 31, 2013 and 2,331,000 for the six months ended March 31, 2012, a decrease of 367,000 or 15.8%.

Gross profit was \$368,000 for the six months ended March 31, 2013 as compared to \$1,067,000 for the six months ended March 31, 2012. Gross profit decreased by \$699,000 or 65.6% for the six months ended March 31, 2013, as compared to the same period in fiscal year 2012 due to the decrease in the number of boxes sold, unfavorable market pricing of citrus fruit and approximately \$400,000 in repair and maintenance expenses incurred to upgrade our trailers that is considered non-recurring in nature.

Citrus Groves

Three month ended March 31, 2013 vs. Three months ended March 31, 2012

Revenues in the Citrus Groves segment were \$17,062,000 for the quarter ended March 31, 2013, as compared to \$25,094,000 for the quarter ended March 31, 2012, a decrease of \$8,032,000 or 32.0%. Gross profit decreased by \$7,020,000 or 62.5% for the three months ended March 31, 2013, as compared to the three months ended March 31, 2012. The decrease in revenue was primarily due to a decrease in boxes produced, a decrease in average pound solids per box, lower market prices per pound solids and a late start to the harvest season of Valencias.

Fresh Fruit

Revenues for fresh fruit were \$1,393,000 for the three months ended March 31, 2013, as compared to \$1,635,000 for the three months ended March 31, 2012, a decrease of \$242,000 or 14.8%. The decrease in revenues for fresh fruit sales was due to a decrease in the number of boxes harvested, partially offset by an increase in the average revenue per box of approximately \$0.70. The total number of boxes harvested was 147,000 for the quarter ended March 31, 2013, as compared to 186,000 for the quarter ended March 31, 2012, a decrease of approximately 39,000 boxes or 21.0%.

Early and Mid-Season Varieties

Revenues for the early and mid-season varieties were \$11,362,000 for the three months ended March 31, 2013, as compared to \$16,768,000 for the three months ended March 31, 2012, a decrease of \$5,406,000 or 32.3%. The price per pound solids for the three months ended March 31, 2013 was \$1.55 as compared to \$1.75 for the three months ended March 31, 2012, a decrease of \$0.20 or 11.5%. The total number of boxes harvested and the total pound solids was 1,159,000 and 7,311,000, for the three months ended March 31, 2013, as compared to 1,450,000 and 9,603,000, respectively, for the three months ended March 31, 2012, a decrease of 291,000 boxes or 20.1% and a decrease of 2,292,000 pound solids or 23.9%, respectively. The reduction in total pound solids is due to

fewer boxes harvested and a decrease in the average pound solids per box. The average pound solids per box was 6.31 for the quarter ended March 31, 2013, as compared to 6.62 for the quarter ended March 31, 2012, a decrease of 0.31 or 4.7%.

Valencias

Valencia revenues were \$4,263,000 for the three months ended March 31, 2013 as compared to \$6,678,000 for the three months ended March 31, 2012, a decrease of \$2,415,000 or 36.2%. The price per pound solids for the quarter ended March 31, 2013 was \$1.67 as compared to \$1.86 for the quarter ended March 31, 2012, a decrease of \$0.19 or 10.3%. The total number of boxes harvested and the total pound solids was 418,000 and 2,555,000, for the three months ended March 31, 2013, as compared to 564,000 and 3,591,000, respectively, for the three months ended March 31, 2012, a decrease of 146,000 boxes or 25.9% and a decrease of 1,036,000 pound solids or 28.9%, respectively. The reduction in total pound solids is due to a decrease in average solids per box. The average pound solids per box was 6.11 for the quarter ended March 31, 2013, as compared to 6.36 for the quarter ended March 31, 2012, a decrease of 4.0%. The decrease in boxes is due in part to a slower start to the Valencia harvest season by one of the processing plants.

The number of boxes harvested during the three months ended March 31, 2013 was approximately 20.1% of the total projected Valencia harvest for the 2012-2013 season as compared to 26.0% harvested during the three months ended March 31, 2012 for the 2011-2012 season. Our Valencia box production is expected to decrease by approximately 9% for the 2012-2013 harvest season. Based on current trends in the cash markets for Valencias, we expect our price per pound solids for Valencias to average between \$1.78 and \$1.80 for the 2012-2013 crop.

Six months ended March 31, 2013 vs. Six months ended March 31, 2012

Revenues in the Citrus Groves segment were \$24,455,000 for the six months ended March 31, 2013 as compared to \$33,502,000 for the six months ended March 31, 2012, a decrease of \$9,047,000 or 27.0%. Gross profits decreased by \$8,738,000 or 60.3% for the six months ended March 31, 2013 as compared to the same period ended March 31, 2012. The decrease in revenue was primarily due to a decrease in boxes produced, a decrease in average pound solids per box, lower market prices per pound solids and a late start to the harvest season of Valencias.

Fresh Fruit

Revenues for fresh fruit were \$2,207,000 for the six months ended March 31, 2013, as compared to \$2,427,000 for the six months ended March 31, 2012, a decrease of \$219,000 or 9.1%. The decrease in revenues for fresh fruit sales was due to a decrease in the number of boxes harvested, which was partially offset by an increase in the average revenue per box of \$1.29. The total number of boxes harvested was 220,000 for the six months ended March 31, 2013, as compared to 278,000 for the six months ended March 31, 2012, a decrease of 58,000 or 20.9%.

The number of fresh fruit boxes harvested during the six months ended March 31, 2013 was approximately 84.2% of the total projected fresh fruit harvest for the 2012-2013 season as compared to 99.5% harvested during the six months ended March 31, 2012 for the 2011-2012 season. Our fresh fruit box production is expected to decrease by approximately 6.3% for the 2012-2013 harvest season.

Early and Mid-Season Varieties

Revenues for the early and mid-season varieties were \$17,921,000 for the six months ended March 31, 2013, as compared to \$24,373,000 for the six months ended March 31, 2012, a decrease of \$6,452,000 or 26.5%. The price per pound solids for the six months ended March 31, 2013 was \$1.54 as compared to \$1.74 for the six months ended March 31, 2012, a decrease of \$0.20 or 11.5%. The total number of boxes harvested and the total pound solids was 1,899,000 and 11,607,000, for the six months ended March 31, 2013, as compared to 2,186,000 and 14,027,000 for the six months ended March 31, 2012 respectively, a decrease of 287,000 boxes or 13.2% and a decrease of 2,420,000 pound solids or 17.3%, respectively. The reduction in total pound solids is due to fewer boxes harvested and a decrease in average solids per box. The average pound solids per box was 6.11 for the six months ended March 31, 2013, as compared to 6.42 for the six months ended March 31, 2012, a decrease of 0.31 or 4.9%.

Valencias

Valencia revenues were \$4,263,000 for the six months ended March 31, 2013 as compared to \$6,678,000 for the six months ended March 31, 2012, a decrease of \$2,415,000 or 36.2%. The price per pound solids for the six months ended March 31, 2013 was \$1.67 as compared to \$1.86 for the same period in fiscal year 2012, a decrease of \$0.19 or 10.3%. The total number of boxes harvested and the total pound solids was 418,000 and 2,555,000, for the six months ended March 31, 2013, as compared to 564,000 and 3,591,000, respectively, for the six months ended March 31, 2012, a decrease of 146,000 boxes or 25.9% and a decrease of 1,036,000

pound solids or 28.9%, respectively. The reduction in total pound solids is due to fewer boxes harvested and a decrease in average solids per box. The average pound solids per box was 6.11 for the six months ended March 31, 2013, as compared to 6.36 for the six months ended March 31, 2012, a decrease of 4.0%. The decrease in boxes is due in part to a slower start to the Valencia harvest season by one of the processing plants.

The number of boxes harvested during the three months ended March 31, 2013 was approximately 20.1% of the total projected Valencia harvest for the 2012-2013 season as compared to 26.0% harvested during the three months ended March 31, 2012 for the 2011-2012 season. Our Valencia box production is expected to decrease by approximately 9% for the 2012-2013 harvest season.

Sugarcane

Sugarcane revenues increased by \$1,092,000 or 14.5% for the three months ended March 31, 2013 as compared to the three months ended March 31, 2012. The gross profit for the three months ended March 31, 2013 was \$1,587,000, as compared to \$1,660,000 for the three months ended March 31, 2012, a decrease of \$73,000 or 4.4%. Standard tons of sugarcane harvested were approximately 257,000 and 181,000 for the three months ended March 31, 2013 and 2012, respectively, an increase of 76,000 or 42.0%. Sugarcane prices decreased by \$8.42 per net standard ton or 20.9% for the three months ended March 31, 2013 as compared with the three months ended March 31, 2012. We have approximately 13,400 sugarcane producing acres in fiscal year 2013 as compared to 9,634 sugarcane producing acres during fiscal year 2012, a net increase of 3,766 acres or 39.1%, and have harvested approximately 78.2% of our sugarcane acres at March 31, 2013, as compared to 97.2% at March 31, 2012.

Sugarcane revenues increased by \$2,812,000 or 20.6% for the six months ended March 31, 2013 as compared to the six months ended March 31, 2012. The gross profit for the six months ended March 31, 2013, was \$3,637,000 as compared to \$3,108,000 for the six months ended March 31, 2012, a decrease of \$529,000 or 17.1%. Standard tons of sugarcane harvested were approximately 447,000 and 329,000 for the six months ended March 31, 2013 and 2012, respectively, an increase of 118,000 or 35.9%. Sugarcane prices decreased by \$5.22 per net standard ton or 13.0% for the six months ended March 31, 2013 as compared with the six months ended March 31, 2012.

Cattle

Revenues from Cattle operations were \$11,000 for the three months ended March 31, 2013 as compared to \$378,000 for the three months ended March 31, 2012, a decrease of \$367,000 or 97.1%. Gross profit from our cattle operations decreased by \$207,000 or 98.6% for the three months ended March 31, 2013 as compared to the same period of fiscal year 2012. The total pounds of beef sold were 7,000 and 495,000 for the three months ended March 31, 2013 and 2012, respectively, a decrease of 488,000 which was primarily due to the timing of sales. The average price received per pound sold was \$1.37 and \$0.80 for the three months ended March 31, 2013 and 2012, respectively.

Revenues from Cattle operations were \$188,000 for the six months ended March 31, 2013 as compared to \$600,000 for the six months ended March 31, 2012, a decrease of \$412,000 or 68.7%. Gross profit from our cattle operations decreased by \$212,000 or 75.2% for the six months ended March 31, 2013 as compared to the same period of fiscal year 2012. The total pounds of beef sold were 128,000 and 752,000, a decrease of 624,000 pounds or 83.0%; the decrease was primarily due to timing of sales. The average price received per pound sold was \$1.33 and \$0.79 for the six months ended March 31, 2013 and 2012, respectively. Market pricing for cattle increased for the period; however, overall we anticipate pricing for fiscal year 2013 to remain consistent with fiscal year 2012.

Land leasing and rentals

We lease land to others on a tenant-at-will basis for grazing, farming, oil exploration and recreational uses. Revenues from land rentals were \$621,000 and \$625,000 for the three months ended March 31, 2013 and 2012, respectively, a decrease of 0.7%. Gross profits increased by 18.2% for the three months ended March 31, 2013, as compared to the same period in fiscal year 2012, due to reductions in certain property taxes. Revenues from land rentals were \$1,168,000 and \$1,256,000 for the six months ended March 31, 2013 and 2012, respectively, a decrease of \$88,000 or 7.0%. Gross profits decreased by \$40,000 or 5.4% for the six months ended March 31, 2013, as compared to the same period in fiscal year 2012. The decrease in revenue and gross profit for the six months ended March 31, 2013 were due to the non-renewal of a farmland lease by one of our tenants during the first quarter of fiscal year 2013. We are currently pursuing additional leases for our improved farm land.

Other

Other operations include sod production, the sale of native plants to local landscaping companies, mining royalties and real estate. The sales of sod, native plants and mining royalties are not significant to our financial position, results of operations and cash flows.

Liquidity and Capital Resources

(dollars in thousands)

	March 31, 2013	September 30, 2012	Difference
Cash and cash equivalents	\$ 3,513	\$ 15,828	\$ (12,315)
Investments	\$ 259	\$ 257	\$ 2
Total current assets	\$ 36,640	\$ 51,467	\$ (14,827)
Total current liabilities	\$ 11,447	\$ 17,148	\$ (5,701)
Working capital	\$ 25,193	\$ 34,319	\$ (9,126)
Total assets	\$ 178,556	\$ 185,083	\$ (6,527)
Notes payable	\$ 37,000	\$ 39,900	\$ (2,900)
Current ratio	3.20:1	3.00:1	N/M

N/M –Not meaningful

We believe that our current cash position, revolving credit facility and the cash we expect to generate from operating activities will provide us with sufficient liquidity to satisfy our working capital requirements and capital expenditures for the foreseeable future. We have a \$60,000,000 revolving line of credit (“RLOC”) which was available for our general use at March 31, 2013. See Item 1. Financial Statement, Note 5. Long-Term Debt in the Notes to the Condensed Consolidated Financial Statements (Unaudited).

The decrease in cash and cash equivalents was primarily due to capital expenditures of \$12,973,000, paying off the principal balance of the Farm Credit of Florida (“Farm Credit”) note payable of \$1,966,000, which included a \$66,000 pre-payment penalty and the purchase of treasury shares of \$2,809,000, partially offset by cash provided from our operations.

Our credit facility with Rabobank includes a 10 year \$37,000,000 term note bearing interest at one month LIBOR plus 250 basis points, payable quarterly. Quarterly principal payments of \$500,000 are due through July 2020 with a balloon payment equal to the remaining unpaid principal and interest due in October 2020. The \$60,000,000 RLOC has a 10 year term. The interest rate spread over LIBOR is subject to an annual adjustment pursuant to a pricing grid based on our debt service coverage ratio for the immediately preceding fiscal year. The spreads may range from 225 to 275 basis points over monthly LIBOR. The rate remained at Libor plus 225 basis points at January 1, 2013, due to the favorable debt service coverage ratio in fiscal year 2012. On October 1, 2015, Rabobank may adjust the interest rate spread to any percentage. Rabobank must provide a 30 day notice of the new spreads, and we have the right to prepay the outstanding balance without penalty.

On September 6, 2012, we reached an agreement with the United States Department of Agriculture, through its administering agency, The Natural Resources Conservation Service, to sell a conservation easement on approximately 11,600 acres of property located in Hendry County, Florida for approximately \$20,700,000. We expect to recognize a \$19,500,000 gain which will be treated as a capital gain for tax purposes and may be used against our \$48,500,000 capital loss carryforward from the sale of our Lee County, Florida properties which closed on July 25, 2012 and October 3, 2012. We expect to finalize the sale of the easement in fiscal year 2013. The easement agreement provides for the property to be enrolled in perpetuity in the Wetlands Reserve Program. The Wetlands Program is designed to restore, protect and enhance the values of the wetland and for the conservation of natural resources.

Net Cash Provided By Operating Activities

Cash provided by operating activities was \$6,942,000 for the six months ended March 31, 2013, which compared unfavorably to cash provided by operating activities of \$13,600,000 for the six months ended March 31, 2012. The change in cash provided by operating activities was due to changes in our working capital accounts, primarily accounts receivables, accounts payables and accrued expenses. Net income decreased by \$5,536,000 which was unfavorable to cash flows provided by operating activities. Due to the seasonal nature of our business, working capital requirements are typically greater in the first and fourth quarters of our fiscal year coinciding with our planting and harvest cycles. Cash flows from operating activities typically improve in our second and third fiscal quarters as we harvest our crops.

Net Cash Used In Investing Activities

Cash used in investing activities for the six months ended March 31, 2013 and 2012 was \$10,166,000 and \$5,247,000, respectively. The use of cash in investing activities is primarily due to capital expenditures. Capital expenditures were \$12,973,000 for the first six months of fiscal year 2013, which included \$4,581,000 for completing the expansion of approximately 4,000 acres into improved farmland for sugarcane, \$3,064,000 for replanting sugarcane to be harvested in fiscal year 2014, \$3,032,000 for the purchase of cattle, \$1,113,000 for citrus, and approximately \$1,183,000 for other capital expenditures. We received net cash proceeds of \$2,394,000 for the sale of properties in Lee County, Florida on October 3, 2012 and \$400,000 from certain other land sales and disposals.

Capital expenditures during the first six months of fiscal year 2012 were \$7,901,000, which included \$4,500,000 for the expansion of our sugarcane operations of which \$2,900,000 was attributable to planting an additional 5,200 acres of sugarcane to be harvested in fiscal year 2013, \$500,000 for sugarcane equipment purchases, \$1,100,000 for land improvements, \$700,000 for cattle, and \$2,700,000 for certain other capital expenditures. The use of cash in investing activities during the first six months of fiscal 2012 was partially offset by the return on investment in Magnolia for \$1,300,000.

Net Cash Used In Financing Activities

Cash used in financing activities was \$6,591,000 and \$8,921,000 for the six months ended March 31, 2013 and 2012, respectively. Cash used in financing activities for the six months ended March 31, 2013 was a result of purchasing treasury shares totaling \$2,810,000, paying off the outstanding balance of the Farm Credit note payable of \$1,900,000 and the principal payment of \$1,000,000 on our Rabobank term loan. Additionally, we paid cash for dividends of \$881,000 during the six months ended March 31, 2013. During the six months ended March 31, 2012, we used cash to make net repayments on outstanding debt of \$7,458,000, pay cash dividends of \$1,175,000 and repurchase treasury shares totaling \$288,000.

We purchased 35,221 and 73,768 shares on the open market at an average price of \$39.69 and \$38.08 during the three and six months ended March 31, 2013. We purchased 12,026 shares of our common stock in the open market at an average price of \$23.95 during the six months ended March 31, 2012. At March 31, 2013, 186,654 shares were available for acquisition in accordance with our 2008 Equity Incentive Plan.

Purchase Commitments

Alico, through its wholly owned subsidiary Alico Fruit, enters into contracts for the purchase of citrus fruit during the normal course of its business. The remaining obligations under these purchase agreements totaled approximately \$19,030,000 at March 31, 2013 for delivery in fiscal years 2013 through 2016. All of these obligations are covered by sales agreements totaling \$19,030,000. Alico's management currently believes that all committed purchase quantities will be sold at cost or higher.

Contractual Obligations and Off Balance Sheet Arrangements

There have been no material changes during this reporting period to the disclosures set forth in Part II, Item 7 in our Form 10-K for the fiscal year ended September 30, 2012.

ITEM 3. Quantitative and Qualitative Disclosures about Market Risk

There have been no material changes during this reporting period in the disclosures set forth in Part II, Item 7A in our Form 10-K for the fiscal year ended September 30, 2012.

ITEM 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this report, an evaluation, as required by Rules 13a-15 and 15d-15 of the Securities Exchange Act of 1934 as amended ("Exchange Act"), was carried out under the supervision and with the participation of our management, including the Chief Executive Officer and the Chief Financial Officer, of the effectiveness of our disclosure controls and procedures. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the design and operation of our disclosure controls and procedures are effective to ensure that all information required to be disclosed in the reports that we file or submit under the Exchange Act was recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and to provide reasonable assurance that information required to be disclosed by us in such reports is accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

(b) Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Rule 13a-15(f) or Rule 15d-15(f) under the Exchange Act that occurred during our last fiscal quarter that have materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. Legal Proceedings.

See Part I, Item I, Financial Statements, Note 4. Income Taxes and Note 9. Contingencies in the Notes to Condensed Consolidated Financial Statements (Unaudited).

ITEM 1A. Risk Factors.

There have been no material changes in the risk factors set forth in Part 1, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended September 30, 2012.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds.

There were no sales of unregistered equity securities during the period.

The Board of Directors has authorized the repurchase of up to 350,000 shares of our common stock from shareholders from time to time in accordance with our 2008 Equity Incentive Plan. Stock repurchases will be made on a quarterly basis until November 1, 2013, through open market transactions, at times and in such amounts as the Company's broker determines, subject to the provisions of SEC Rule 10b-18.

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid Per Share	(c) Total Number of Shares Purchased As Part of Publicly Announced Plans or Programs	(d) Maximum Number (or) Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans Or Programs
Month ended January 31, 2013	34,351	\$ 39.69	34,351	187,524
Month ended February 28, 2013	870	\$ 40.05	870	186,654
Month ended March 31, 2013	—	\$ —	—	186,654

ITEM 3. Defaults Upon Senior Securities.

None.

ITEM 4. Mine Safety Disclosure.

None.

ITEM 5. Other Information.

None

ITEM 6. Exhibits

Exhibit No.	Description of Exhibit	
3.1	Restated Certificate of Incorporation, dated February 17, 1972	(Incorporated by reference to Alico's Registration Statement on Form S-1 dated February 24, 1972, Registration No. 2-43156)
3.2	By-Laws of Alico, Inc., amended and restated	(Incorporated by reference to Exhibit 3.1 of the Company's current report on Form 8-K, filed with the Commission on January 25, 2013).
10.1	* Change in Control Agreement dated March 27, 2013 between Alico, Inc. and JD Alexander	Filed herewith
10.2	* Change in Control Agreement dated March 27, 2013 between Alico, Inc. and Kenneth Smith, Ph.D	Filed herewith
10.3	* Change in Control Agreement dated March 27, 2013 between Alico, Inc. and W. Mark Humphrey	File herewith
10.4	* Change in Control Agreement dated March 27, 2013 between Alico, Inc. and Steven C. Lewis	Filed herewith
10.5	* Form of Indemnification Agreement	Filed herewith
10.6	* Management Security Plan(s) Trust Agreement	Filed herewith
10.7	* Fourth Amendment to Credit Agreement with Rabo Agrifinance, Inc. dated April 1, 2013	Filed herewith
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed herewith
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed herewith
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350.	Furnished herewith
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350.	Furnished herewith
101.INS	** XBRL Instance Document	Filed herewith
101.SCH	** XBRL Taxonomy Extension Schema Document	Filed herewith
101.CAL	** XBRL Taxonomy Calculation Linkbase Document	Filed herewith
101.DEF	** XBRL Taxonomy Definition Linkbase Document	Filed herewith
101.LAB	** XBRL Taxonomy Label Linkbase Document	Filed herewith
101.PRE	** XBRL Taxonomy Extension Presentation Linkbase Document	Filed herewith

* Denotes a management contract or compensatory plan, contract or arrangement.

** In accordance with Rule 406T of Regulation S-T, these XBRL (eXtensible Business Reporting Language) documents are furnished and not filed or a part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933 or Section 18 of the Securities Exchange Act of 1934 and otherwise are not subject to liability under these sections.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ALICO, INC.
(Registrant)

Date: May 6, 2013

By: /s/JD Alexander
JD Alexander
Chief Executive Officer and President

Date: May 6, 2013

By: /s/W. Mark Humphrey
W. Mark Humphrey
Chief Financial Officer and Senior Vice President

Index to Exhibits

Exhibit No.	Description of Exhibit	
3.1	Restated Certificate of Incorporation, dated February 17, 1972	(Incorporated by reference to Alico's Registration Statement on Form S-1 dated February 24, 1972, Registration No. 2-43156)
3.2	By-Laws of Alico, Inc., amended and restated	(Incorporated by reference to Exhibit 3.1 of the Company's current report on Form 8-K, filed with the Commission on January 25, 2013).
10.1	* Change in Control Agreement dated March 27, 2013 between Alico, Inc. and JD Alexander	Filed herewith
10.2	* Change in Control Agreement dated March 27, 2013 between Alico, Inc. and Kenneth Smith, Ph.D	Filed herewith
10.3	* Change in Control Agreement dated March 27, 2013 between Alico, Inc. and W. Mark Humphrey	File herewith
10.4	* Change in Control Agreement dated March 27, 2013 between Alico, Inc. and Steven C. Lewis	Filed herewith
10.5	* Indemnification Agreement	Filed herewith
10.6	* Management Security Plan(s) Trust Agreement	Filed herewith
10.7	* Fourth Amendment to Credit Agreement with Rabo Agrifinance, Inc. dated April 1, 2013	Filed herewith
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed herewith
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed herewith
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350.	Furnished herewith
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350.	Furnished herewith
101.INS	** XBRL Instance Document	Filed herewith
101.SCH	** XBRL Taxonomy Extension Schema Document	Filed herewith
101.CAL	** XBRL Taxonomy Calculation Linkbase Document	Filed herewith
101.DEF	** XBRL Taxonomy Definition Linkbase Document	Filed herewith
101.LAB	** XBRL Taxonomy Label Linkbase Document	Filed herewith
101.PRE	** XBRL Taxonomy Extension Presentation Linkbase Document	Filed herewith

* Denotes a management contract or compensatory plan, contract or arrangement.

** In accordance with Rule 406T of Regulation S-T, these XBRL (eXtensible Business Reporting Language) documents are furnished and not filed or a part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933 or Section 18 of the Securities Exchange Act of 1934 and otherwise are not subject to liability under these sections.

Change in Control Agreement

THIS CHANGE IN CONTROL AGREEMENT (this "Agreement") is made and entered into effective as of March _____, 2013 (the "Effective Date"), by and between **JD ALEXANDER** (the "Employee") and **ALICO, INC.**, a Florida corporation (the "Company").

Recitals:

WHEREAS, the Employee is a key employee of the Company; and

WHEREAS, the Company desires to provide the Employee with certain additional compensation and benefits in the event that a Change in Control (as defined herein) of the Company occurs.

NOW, THEREFORE, in consideration of the mutual covenants, promises and obligations set forth herein, the parties agree as follows:

Section 1. Definitions. Certain terms used in this Agreement shall have the meanings set forth in Appendix A attached hereto.

Section 2. Term. This Agreement is effective as of the Effective Date and will continue in effect until December 31, 2014; *provided, however*, that commencing on January 1, 2015, and each January 1 thereafter, the term of this Agreement will automatically be extended for one (1) additional year beyond the expiration date otherwise then in effect, unless at least thirty (30) calendar days prior to any such January 1, the Company or the Employee provides the other notice that this Agreement will not be extended; and, provided, further, that this Agreement will continue in effect beyond the termination date then in effect for a period of eighteen (18) calendar months following a Change in Control if a Change in Control has occurred during such term.

Section 3. Change in Control Termination.

(a) If the Employee's employment is terminated by the Employee for Good Reason or by the Company without Cause (other than on account of the Employee's death or Disability), in each case within eighteen (18) months following a Change in Control, and subject to the Employee's execution of a release in the form attached hereto as Appendix B ("Release") which becomes effective within thirty (30) calendar days following the Termination Date, then the Employee shall be entitled to receive, in addition to any other compensation or benefits to which the Employee may otherwise be entitled, aggregate payments equal to two (2) times the sum of (A) the Employee's Base Salary for the year in which the Termination Date occurs (or if greater, the year immediately preceding the year in which the Change in Control occurs), and (B) the average amount of cash compensation, other than Base Salary, that was earned by the Employee with respect to the three (3) fiscal years (or such fewer number of fiscal years that the Employee was employed by the Company) prior to the fiscal year in which the Termination Date occurs, which amount shall be payable in twenty-four (24) monthly installments with the first installment to be paid within thirty (30) calendar days following the Termination Date.

(b) If the Employee's employment is terminated by the Employee for Good Reason or by the Company without Cause (other than on account of the Employee's death or Disability),

this shall be communicated by written notice of termination (“Notice of Termination”) to the other party hereto in accordance with Section 14. The Notice of Termination shall specify:

- (i) the facts and circumstances claimed to provide a basis for Good Reason, if the Notice of Termination is given by the Employee; and
- (ii) the applicable Termination Date.

Section 4. No Employment or Service Contract. Nothing in this Agreement is intended to provide the Employee with any right to continue in the employ of the Company for any period of specific duration or interfere with or otherwise restrict in any way the Employee’s rights or the rights of the Company, which rights are hereby expressly reserved by each, to terminate the Employee’s employment at any time for any reason or no reason whatsoever, with or without Cause.

Section 5. Dispute Resolution. Any controversy or claim arising out of or relating to this Agreement shall be settled by arbitration administered by the American Arbitration Association under its National Rules for the Resolution of Employment Disputes and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The place of arbitration shall be Fort Myers, Florida.

Section 6. Governing Law; Jurisdiction and Venue. This Agreement, for all purposes, shall be construed in accordance with the laws of Florida without regard to conflicts of law principles. Subject to Section 5, any action or proceeding by either of the parties to enforce this Agreement shall be brought only in a state or federal court located in the state of Florida, County of Lee. The parties hereby irrevocably submit to the exclusive jurisdiction of such courts and waive the defense of inconvenient forum to the maintenance of any such action or proceeding in such venue.

Section 7. Attorneys’ Fees. If any legal action or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default, claim, or misrepresentation arising out of or in connection with any of the provisions of this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys’ fees, arbitration expenses, court costs, and other expenses, whether at trial, upon appeal, or during investigation by such prevailing party in prosecuting or defending such arbitration, legal action or other proceeding. The prevailing party shall be entitled to recover attorneys’ fees, costs, and expenses incurred in establishing or quantifying the amount of attorneys’ fees, costs, and expenses due to it. The costs and expenses to which the prevailing party shall be entitled pursuant to this Agreement are not limited to taxable costs and shall include, but not be limited to, costs of experts and investigation; costs of copying documents and other materials (whether for discovery, trial, or any other purpose); costs for electronic discovery; Westlaw, Lexis Nexis, and other electronic research service charges; telephone charges; mailing, commercial delivery service, and courier charges; travel expenses (whether for investigation, depositions, hearings, trial, or any other purpose); information technology support charges; any and all consultant or expert witness fees (whether or not the consultant or expert witness prepares a court-ordered report or testifies at a deposition, hearing, or trial); and any other costs or expenses incurred in any legal action or other proceeding as described in this paragraph. Nothing contained herein shall be deemed to create any obligation for any party to advance fees to another party prior to the conclusion of any proceedings.

Section 8. Entire Agreement. Unless specifically provided herein, this Agreement contains all of the understandings and representations between the Employee and the Company pertaining to the subject matter hereof and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to such subject matter. The parties mutually agree that the Agreement can be specifically enforced in court and can be cited as evidence in legal proceedings alleging breach of the Agreement. This Agreement supersedes and replaces in its entirety the cash severance agreement referenced in the Offer Letter between the Company and the Employee dated March 13, 2012. Notwithstanding the foregoing, nothing contained in this Agreement shall be deemed to (i) modify the terms of any outstanding awards or benefits to Employee under the 2008 Incentive Equity Plan or the 2013 Incentive Equity Plan, the Company's MSP Plan or any Restricted Stock Award Agreement between Employee and the Company, or (ii) release any of Employee's rights to indemnification under any indemnification agreement between Employee and the Company or under the Articles of Incorporation or bylaws of the Company or under Section 607.0850, Florida Statutes, or any of Employee's rights to advances or reimbursement under any directors' and officers' liability policies maintained by the Company.

Section 9. Modification and Waiver. No provision of this Agreement may be amended or modified unless such amendment or modification is agreed to in writing and signed by the Employee and by the Chairman of the Board of the Company. No waiver by either of the parties of any breach by the other party hereto of any condition or provision of this Agreement to be performed by the other party hereto shall be deemed a waiver of any similar or dissimilar provision or condition at the same or any prior or subsequent time, nor shall the failure of or delay by either of the parties in exercising any right, power or privilege hereunder operate as a waiver thereof to preclude any other or further exercise thereof or the exercise of any other such right, power or privilege.

Section 10. Severability. Should any provision of this Agreement be held by a court of competent jurisdiction to be enforceable only if modified, or if any portion of this Agreement shall be held as unenforceable and thus stricken, such holding shall not affect the validity of the remainder of this Agreement, the balance of which shall continue to be binding upon the parties with any such modification to become a part hereof and treated as though originally set forth in this Agreement. The parties further agree that any such court is expressly authorized to modify any such unenforceable provision of this Agreement in lieu of severing such unenforceable provision from this Agreement in its entirety, whether by rewriting the offending provision, deleting any or all of the offending provision, adding additional language to this Agreement or by making such other modifications as it deems warranted to carry out the intent and agreement of the parties as embodied herein to the maximum extent permitted by law. The parties expressly agree that this Agreement as so modified by the court shall be binding upon and enforceable against each of them. In any event, should one or more of the provisions of this Agreement be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions hereof, and if such provision or provisions are not modified as provided above, this Agreement shall be construed as if such invalid, illegal or unenforceable provisions had not been set forth herein.

Section 11. Captions. Captions and headings of the sections and paragraphs of this Agreement are intended solely for convenience and no provision of this Agreement is to be construed by reference to the caption or heading of any Section or paragraph.

Section 12. Counterparts. This Agreement may be executed in separate counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

Section 13. Successors and Assigns. This Agreement is personal to the Employee and shall not be assigned by the Employee. Any purported assignment by the Employee shall be null and void from the initial date of the purported assignment. The Company may assign this Agreement to any successor or assign (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company. This Agreement shall inure to the benefit of the Company and permitted successors and assigns.

Section 14. Notice. Notices and all other communications provided for in this Agreement shall be in writing and shall be delivered personally or sent by registered or certified mail, return receipt requested, or by overnight carrier to the parties at the addresses set forth below (or such other addresses as specified by the parties by like notice):

If to the Company: Alico, Inc.
 10070 Daniels Interstate Court
 Suite 100
 Fort Myers, FL 33913
 Attention: Chief Executive Officer

If to the Employee: JD Alexander

Section 15. Withholding. The Company shall have the right to withhold from any amount payable hereunder any Federal, state and local taxes in order for the Company to satisfy any withholding tax obligation it may have under any applicable law or regulation.

Section 16. Survival. Upon the expiration or other termination of this Agreement, the respective rights and obligations of the parties hereto shall survive such expiration or other termination to the extent necessary to carry out the intentions of the parties under this Agreement.

Section 17. Acknowledgment of Full Understanding. THE EMPLOYEE ACKNOWLEDGES AND AGREES THAT THE EMPLOYEE HAS FULLY READ, UNDERSTANDS AND VOLUNTARILY ENTERS INTO THIS AGREEMENT. THE EMPLOYEE ACKNOWLEDGES AND AGREES THAT THE EMPLOYEE HAS HAD AN OPPORTUNITY TO ASK QUESTIONS AND CONSULT WITH AN ATTORNEY OF HIS OR HER CHOICE BEFORE SIGNING THIS AGREEMENT.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

ALICO, INC.

By _____

Name: _____

Title: _____

JD ALEXANDER

APPENDIX A

(a) “Base Salary” means the Employee’s annual base salary, as in effect from time to time.

(b) “Board” means the Board of Directors of the Company.

(c) “Cause” means (i) the Employee’s willful failure to perform his duties (other than any such failure resulting from incapacity due to physical or mental illness); (ii) the Employee’s willful failure to comply with any valid and legal directive of the Board; (iii) the Employee’s willful engagement in dishonesty, illegal conduct or gross misconduct, which is, in each case, materially injurious to the Company or its affiliates; (iv) the Employee’s embezzlement, misappropriation or fraud, whether or not related to the Employee’s employment with the Company; (v) the Employee’s conviction of or plea of guilty or *nolo contendere* to a crime that constitutes a felony (or state law equivalent) or a crime that constitutes a misdemeanor involving moral turpitude; (vi) the Employee’s willful unauthorized disclosure of Confidential Information; or (vii) any material failure by the Employee to comply with the Company’s written policies or rules, as they may be in effect from time to time during the Employment Term, if such failure causes material harm to the Company. No act or failure to act on the part of the Employee shall be considered “willful” unless it is done, or omitted to be done, by the Employee in bad faith or without reasonable belief that the Employee’s action or omission was in the best interests of the Company. Except for a failure, breach or refusal which, by its nature, cannot reasonably be expected to be cured, the Employee shall have ten (10) business days from the delivery of written notice by the Company within which to cure any acts constituting Cause; provided however, that, if the Company reasonably expects irreparable injury from a delay of ten (10) business days, the Company may give the Employee notice of such shorter period within which to cure as is reasonable under the circumstances, which may include the termination of the Employee’s employment without notice and with immediate effect.

(d) “Change in Control” means (i) any time at which individuals who, as of the date hereof, constitute the board of directors (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company’s shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board; (ii) the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended, (the “Exchange Act”)) (a “Person”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of fifty percent (50%) or more of either (A) the then-outstanding shares of Stock (the “Outstanding Company Shares”) or (B) the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors (the “Outstanding Voting Securities”) of the Company (the “Outstanding Company Voting Securities”); provided that, for purposes of this definition, the following acquisitions shall not constitute a Change of Control; (x) any acquisition directly from the Company; (y) any acquisition by the Company; and (z) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any of its affiliates; (iii) the consummation of a reorganization, merger, consolidation, statutory share exchange or similar form of corporate transaction involving the Company (a “Reorganization”), or the sale or other disposition of all or substantially all of the Company’s assets (a “Sale”), unless immediately following such Reorganization or Sale, all of the individuals and entities that were the beneficial owners of the Outstanding Company Shares immediately prior to such Reorganization or Sale beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting shares entitled to vote

generally in the election of directors, as the case may be, of the corporation resulting from such Reorganization or Sale, including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets or stock either directly or through one or more subsidiaries; or (iv) a liquidation of the Company by vote of the shareholders of the Company.

(e) "Disability" means mean the Employee's inability, due to physical or mental incapacity, to substantially perform his duties and responsibilities under this Agreement for one hundred eighty (180) days out of any three hundred sixty-five (365) day period or one hundred twenty (120) consecutive days. Any question as to the existence of the Employee's Disability as to which the Employee and the Company cannot agree shall be determined in writing by a qualified independent physician mutually acceptable to the Employee and the Company. If the Employee and the Company cannot agree as to a qualified independent physician, each shall appoint such a physician and those two physicians shall select a third who shall make such determination in writing. The determination of Disability made in writing to the Company and the Employee shall be final and conclusive for all purposes of this Agreement.

(f) "Good Reason" means the occurrence of any of the following, in each case without the Employee's written consent: (i) a reduction in the Employee's Base Salary or annual incentive compensation potential; (ii) a relocation of the Employee's principal place of employment by more than fifty (50) miles, except for required travel on Company business to an extent substantially consistent with the Employee's business travel obligations as of the date of relocation; (iii) a material adverse change in the Employee's title, authority, duties or responsibilities (other than temporarily while the Employee is physically or mentally incapacitated or as required by applicable law).

(g) "Release" means a release of claims in favor of the Company, its affiliates and their respective officers and directors in the form attached as Appendix B.

(h) "Release Execution Period" means a period of thirty (30) calendar days immediately following the Termination Date.

(i) "Termination Date" means (i) if the Company terminates the Employee's employment for Cause, the date the Notice of Termination is delivered to the Employee; and (ii) if the Employee terminates his employment hereunder with Good Reason, the date specified in the Employee's Notice of Termination, which shall be no less than thirty (30) calendar days following the date on which the Notice of Termination is delivered.

APPENDIX B

RELEASE AGREEMENT

THIS RELEASE AGREEMENT (this "Agreement") is made and entered into by and between Alico, Inc. and its wholly owned subsidiaries and its successors and assigns ("Alico") and _____ and his/her heirs, spouse, assigns, executors, administrators and attorneys ("Executive").

Pursuant to his/her Change in Control Agreement with Alico ("CIC Agreement"), Executive and Alico, desiring to resolve all actual or potential claims Executive may have against Alico, agree as follows:

1. **Obligation of Alico.** In consideration of Executive's obligations set forth below, Alico shall provide to Executive the compensation described in Section 3(a) of the CIC Agreement between Alico and Executive. Executive retains all of his rights under any outstanding awards or benefits to Employee under the 2008 Incentive Equity Plan, the 2013 Incentive Equity Plan, Alico's MSP Plan, and any Restricted Stock Award Agreement between Executive and Alico. Nothing contained herein shall be deemed to release any of Executive's rights (i) to indemnification under any indemnification agreement between Executive and Alico or under the articles of incorporation or bylaws of Alico, or under Section 607.0850, Florida Statutes, or any of Executive's rights to advances or reimbursement under any directors' and officers' liability insurance policies maintained by Alico or (ii) under the 2008 Incentive Equity Plan, the 2013 Incentive Equity Plan, Alico's MSP Plan, and any Restricted Stock Award Agreement between Executive and Alico.

2. **Obligations of Executive.** In consideration of Alico's obligations set forth in this Agreement:

(a) Executive waives, and releases Alico, and its directors, officers, employees, representatives, benefit plan administrators, agents and attorneys, both individually and collectively (hereinafter collectively referred to as "the Released Parties"), from, all claims, rights, and causes of action, both known and unknown, in law or in equity, of any kind whatsoever that Executive has or could have maintained against any of the Released Parties arising out of his employment with Alico through the date of signing this Agreement or his separation from employment with Alico, including any claim for attorney's fees. Without limiting the generality of the foregoing, Executive waives, and releases all of the Released Parties from, all claims, rights, and causes of action relating to or arising out of Executive's employment with, conditions of employment with, compensation by, or separation of employment from, Alico, including, without limitation, any claims, rights, charges, or causes of action arising under Title VII of the Civil Rights Act of 1964, as amended; the Civil Rights Acts of 1866 and 1871; the Age Discrimination in Employment Act of 1967, as amended; Executive Order Nos. 11246 and 11478; the Equal Pay Act of 1963, as amended; the Employee Retirement Income Security Act of 1974, as amended; the Rehabilitation Act of 1973, as amended; the Florida Civil Rights Act of 1992; Florida Statutes §§ 440.205 and 448.102; the Americans with Disabilities Act of 1990, as amended; the Family and Medical Leave Act of 1993; the National Labor Relations Act of 1935, as amended; the Fair Labor Standards Act of 1938, as amended; the Occupational Safety and Health Act of 1970, as amended; the Genetic Information Nondiscrimination Act of 2008; and the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, and any other federal or state law or local ordinance, including any suit in tort (including fraud, promissory estoppel and negligence) or contract (whether oral, written or implied), or any other common law or

equitable basis of action, except for any claim which may not lawfully be waived in this manner.

(b) Executive represents that while he/she is not legally barred from filing a charge of discrimination, he/she has not filed, and does not intend to file, any charge of discrimination against any of the Released Parties with any federal, state or local agency and understands that Alico has reasonably relied on his/her representations in this paragraph in agreeing to perform the obligation set forth in Section 1 of this Agreement. Executive further waives any right to recovery based on any charge of discrimination filed by him/her or on his/her behalf.

3. **Non-Admission.** Neither this Agreement, nor anything contained in it, shall be construed as an admission by any of the Released Parties of any liability, wrongdoing or unlawful conduct whatsoever.

4. **Severability.** If a court of competent jurisdiction invalidates any provision of this Agreement, then all of the remaining provisions of this Agreement shall continue unabated and in full force and effect.

5. **Entire Agreement.** This Agreement contains the entire understanding and agreement between the parties regarding the subject matter of this Agreement and shall not be modified or superseded except upon express written consent of the parties to this Agreement. Executive represents and acknowledges that in executing this Agreement, he/she does not rely and has not relied upon any representation or statement made by Alico or its agents, representatives or attorneys which is not set forth in this Agreement.

6. **Governing Law.** The laws of the State of Florida shall govern this Agreement, and any action to enforce this Agreement shall be brought in Lee County, Florida where jurisdiction and venue shall lie.

7. **Opportunity to Consider and Confer.** Executive acknowledges that he/she has had the opportunity to read, study, consider, and deliberate upon this Agreement. He/she further acknowledges and understands that he/she has been given a period of twenty-one (21) days in which he/she may, but is not required to, consider this Agreement, that after he/she signs it, he/she has seven (7) days in which to revoke it. Executive further acknowledges that he/she fully understands and completely agrees with all of the terms of this Agreement and that he/she has been, and hereby is, specifically advised to consult with his/her attorney before executing this Agreement.

8. **Effective Date.** Assuming Executive signs this Agreement and does not revoke it as provided in Section 7 above, this Agreement becomes effective thirty (30) days after the Termination Date as defined in Appendix A to the CIC Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, and intending to be legally bound hereby, Alico and Executive hereby execute this Severance Agreement and Release, consisting of three (3) pages (including this signature page) and including ten (10) enumerated sections, by signing below voluntarily and with full knowledge of the significance of all of its provisions.

PLEASE READ CAREFULLY. THIS RESIGNATION AGREEMENT, WAIVER AND RELEASE INCLUDES A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

Sworn to and subscribed before me
this _____ day of _____, 20__.

Notary Public, State of Florida at Large
My Commission Expires:

Executive

Executed at Ft. Myers, Florida,
this _____ day of _____, 20__.

Sworn to and subscribed before me
this _____ day of _____, 20__.

Notary Public, State of Florida at Large
My Commission Expires:

Alico, Inc.

By _____
Its: _____

Executed at Ft. Myers, Florida,
this _____ day of _____, 20__.

Change in Control Agreement

THIS CHANGE IN CONTROL AGREEMENT (this "Agreement") is made and entered into effective as of March _____, 2013 (the "Effective Date"), by and between **KENNETH SMITH, PH.D.** (the "Employee") and **ALICO, INC.**, a Florida corporation (the "Company").

Recitals:

WHEREAS, the Employee is a key employee of the Company; and

WHEREAS, the Company desires to provide the Employee with certain additional compensation and benefits in the event that a Change in Control (as defined herein) of the Company occurs.

NOW, THEREFORE, in consideration of the mutual covenants, promises and obligations set forth herein, the parties agree as follows:

Section 1. Definitions. Certain terms used in this Agreement shall have the meanings set forth in Appendix A attached hereto.

Section 2. Term. This Agreement is effective as of the Effective Date and will continue in effect until December 31, 2014; *provided, however*, that commencing on January 1, 2015, and each January 1 thereafter, the term of this Agreement will automatically be extended for one (1) additional year beyond the expiration date otherwise then in effect, unless at least thirty (30) calendar days prior to any such January 1, the Company or the Employee provides the other notice that this Agreement will not be extended; and, provided, further, that this Agreement will continue in effect beyond the termination date then in effect for a period of eighteen (18) calendar months following a Change in Control if a Change in Control has occurred during such term.

Section 3. Change in Control Termination.

(a) If the Employee's employment is terminated by the Employee for Good Reason or by the Company without Cause (other than on account of the Employee's death or Disability), in each case within eighteen (18) months following a Change in Control, and subject to the Employee's execution of a release in the form attached hereto as Appendix B ("Release") which becomes effective within thirty (30) calendar days following the Termination Date, then the Employee shall be entitled to receive, in addition to any other compensation or benefits to which the Employee may otherwise be entitled, aggregate payments equal to the sum of (A) the Employee's Base Salary for the year in which the Termination Date occurs (or if greater, the year immediately preceding the year in which the Change in Control occurs), and (B) the average amount of cash compensation, other than Base Salary, that was earned by the Employee with respect to the three (3) fiscal years (or such fewer number of fiscal years that the Employee was employed by the Company) prior to the fiscal year in which the Termination Date occurs, which amount shall be payable in twelve (12) monthly installments with the first installment to be paid within thirty (30) calendar days following the Termination Date.

(b) If the Employee's employment is terminated by the Employee for Good Reason or by the Company without Cause (other than on account of the Employee's death or Disability),

this shall be communicated by written notice of termination (“Notice of Termination”) to the other party hereto in accordance with Section 14. The Notice of Termination shall specify:

- (i) the facts and circumstances claimed to provide a basis for Good Reason, if the Notice of Termination is given by the Employee; and
- (ii) the applicable Termination Date.

Section 4. No Employment or Service Contract. Nothing in this Agreement is intended to provide the Employee with any right to continue in the employ of the Company for any period of specific duration or interfere with or otherwise restrict in any way the Employee’s rights or the rights of the Company, which rights are hereby expressly reserved by each, to terminate the Employee’s employment at any time for any reason or no reason whatsoever, with or without Cause.

Section 5. Dispute Resolution. Any controversy or claim arising out of or relating to this Agreement shall be settled by arbitration administered by the American Arbitration Association under its National Rules for the Resolution of Employment Disputes and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The place of arbitration shall be Fort Myers, Florida.

Section 6. Governing Law; Jurisdiction and Venue. This Agreement, for all purposes, shall be construed in accordance with the laws of Florida without regard to conflicts of law principles. Subject to Section 5, any action or proceeding by either of the parties to enforce this Agreement shall be brought only in a state or federal court located in the state of Florida, County of Lee. The parties hereby irrevocably submit to the exclusive jurisdiction of such courts and waive the defense of inconvenient forum to the maintenance of any such action or proceeding in such venue.

Section 7. Attorneys’ Fees. If any legal action or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default, claim, or misrepresentation arising out of or in connection with any of the provisions of this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys’ fees, arbitration expenses, court costs, and other expenses, whether at trial, upon appeal, or during investigation by such prevailing party in prosecuting or defending such arbitration, legal action or other proceeding. The prevailing party shall be entitled to recover attorneys’ fees, costs, and expenses incurred in establishing or quantifying the amount of attorneys’ fees, costs, and expenses due to it. The costs and expenses to which the prevailing party shall be entitled pursuant to this Agreement are not limited to taxable costs and shall include, but not be limited to, costs of experts and investigation; costs of copying documents and other materials (whether for discovery, trial, or any other purpose); costs for electronic discovery; Westlaw, Lexis Nexis, and other electronic research service charges; telephone charges; mailing, commercial delivery service, and courier charges; travel expenses (whether for investigation, depositions, hearings, trial, or any other purpose); information technology support charges; any and all consultant or expert witness fees (whether or not the consultant or expert witness prepares a court-ordered report or testifies at a deposition, hearing, or trial); and any other costs or expenses incurred in any legal action or other proceeding as described in this paragraph. Nothing contained herein shall be deemed to create any obligation for any party to advance fees to another party prior to the conclusion of any proceedings.

Section 8. Entire Agreement. Unless specifically provided herein, this Agreement contains all of the understandings and representations between the Employee and the Company pertaining to the subject matter hereof and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to such subject matter. The parties mutually agree that the Agreement can be specifically enforced in court and can be cited as evidence in legal proceedings alleging breach of the Agreement. Notwithstanding the foregoing, nothing contained in this Agreement shall be deemed to (i) modify the terms of any outstanding awards or benefits to Employee under the 2008 Incentive Equity Plan or the 2013 Incentive Equity Plan, the Company's MSP Plan or any Restricted Stock Award Agreement between Employee and the Company, or (ii) release any of Employee's rights to indemnification under any indemnification agreement between Employee and the Company or under the Articles of Incorporation or bylaws of the Company or under Section 607.0850, Florida Statutes, or any of Employee's rights to advances or reimbursement under any directors' and officers' liability policies maintained by the Company.

Section 9. Modification and Waiver. No provision of this Agreement may be amended or modified unless such amendment or modification is agreed to in writing and signed by the Employee and by the Chief Executive Officer of the Company. No waiver by either of the parties of any breach by the other party hereto of any condition or provision of this Agreement to be performed by the other party hereto shall be deemed a waiver of any similar or dissimilar provision or condition at the same or any prior or subsequent time, nor shall the failure of or delay by either of the parties in exercising any right, power or privilege hereunder operate as a waiver thereof to preclude any other or further exercise thereof or the exercise of any other such right, power or privilege.

Section 10. Severability. Should any provision of this Agreement be held by a court of competent jurisdiction to be enforceable only if modified, or if any portion of this Agreement shall be held as unenforceable and thus stricken, such holding shall not affect the validity of the remainder of this Agreement, the balance of which shall continue to be binding upon the parties with any such modification to become a part hereof and treated as though originally set forth in this Agreement. The parties further agree that any such court is expressly authorized to modify any such unenforceable provision of this Agreement in lieu of severing such unenforceable provision from this Agreement in its entirety, whether by rewriting the offending provision, deleting any or all of the offending provision, adding additional language to this Agreement or by making such other modifications as it deems warranted to carry out the intent and agreement of the parties as embodied herein to the maximum extent permitted by law. The parties expressly agree that this Agreement as so modified by the court shall be binding upon and enforceable against each of them. In any event, should one or more of the provisions of this Agreement be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions hereof, and if such provision or provisions are not modified as provided above, this Agreement shall be construed as if such invalid, illegal or unenforceable provisions had not been set forth herein.

Section 11. Captions. Captions and headings of the sections and paragraphs of this Agreement are intended solely for convenience and no provision of this Agreement is to be construed by reference to the caption or heading of any Section or paragraph.

Section 12. Counterparts. This Agreement may be executed in separate counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

ALICO, INC.

By _____

Name: _____

Title: _____

KENNETH SMITH, PH.D.

APPENDIX A

(a) “Base Salary” means the Employee’s annual base salary, as in effect from time to time.

(b) “Board” means the Board of Directors of the Company.

(c) “Cause” means (i) the Employee’s willful failure to perform his duties (other than any such failure resulting from incapacity due to physical or mental illness); (ii) the Employee’s willful failure to comply with any valid and legal directive of the Board; (iii) the Employee’s willful engagement in dishonesty, illegal conduct or gross misconduct, which is, in each case, materially injurious to the Company or its affiliates; (iv) the Employee’s embezzlement, misappropriation or fraud, whether or not related to the Employee’s employment with the Company; (v) the Employee’s conviction of or plea of guilty or *nolo contendere* to a crime that constitutes a felony (or state law equivalent) or a crime that constitutes a misdemeanor involving moral turpitude; (vi) the Employee’s willful unauthorized disclosure of Confidential Information; or (vii) any material failure by the Employee to comply with the Company’s written policies or rules, as they may be in effect from time to time during the Employment Term, if such failure causes material harm to the Company. No act or failure to act on the part of the Employee shall be considered “willful” unless it is done, or omitted to be done, by the Employee in bad faith or without reasonable belief that the Employee’s action or omission was in the best interests of the Company. Except for a failure, breach or refusal which, by its nature, cannot reasonably be expected to be cured, the Employee shall have ten (10) business days from the delivery of written notice by the Company within which to cure any acts constituting Cause; provided however, that, if the Company reasonably expects irreparable injury from a delay of ten (10) business days, the Company may give the Employee notice of such shorter period within which to cure as is reasonable under the circumstances, which may include the termination of the Employee’s employment without notice and with immediate effect.

(d) “Change in Control” means (i) any time at which individuals who, as of the date hereof, constitute the board of directors (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company’s shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board; (ii) the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended, (the “Exchange Act”)) (a “Person”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of fifty percent (50%) or more of either (A) the then-outstanding shares of Stock (the “Outstanding Company Shares”) or (B) the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors (the “Outstanding Voting Securities”) of the Company (the “Outstanding Company Voting Securities”); provided that, for purposes of this definition, the following acquisitions shall not constitute a Change of Control; (x) any acquisition directly from the Company; (y) any acquisition by the Company; and (z) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any of its affiliates; (iii) the consummation of a reorganization, merger, consolidation, statutory share exchange or similar form of corporate transaction involving the Company (a “Reorganization”), or the sale or other disposition of all or substantially all of the Company’s assets (a “Sale”), unless immediately following such Reorganization or Sale, all of the individuals and entities that were the beneficial owners of the Outstanding Company Shares immediately prior to such Reorganization or Sale beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting shares entitled to vote

generally in the election of directors, as the case may be, of the corporation resulting from such Reorganization or Sale, including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets or stock either directly or through one or more subsidiaries; or (iv) a liquidation of the Company by vote of the shareholders of the Company.

(e) "Disability" means mean the Employee's inability, due to physical or mental incapacity, to substantially perform his duties and responsibilities under this Agreement for one hundred eighty (180) days out of any three hundred sixty-five (365) day period or one hundred twenty (120) consecutive days. Any question as to the existence of the Employee's Disability as to which the Employee and the Company cannot agree shall be determined in writing by a qualified independent physician mutually acceptable to the Employee and the Company. If the Employee and the Company cannot agree as to a qualified independent physician, each shall appoint such a physician and those two physicians shall select a third who shall make such determination in writing. The determination of Disability made in writing to the Company and the Employee shall be final and conclusive for all purposes of this Agreement.

(f) "Good Reason" means the occurrence of any of the following, in each case without the Employee's written consent: (i) a reduction in the Employee's Base Salary or annual incentive compensation potential; (ii) a relocation of the Employee's principal place of employment by more than fifty (50) miles, except for required travel on Company business to an extent substantially consistent with the Employee's business travel obligations as of the date of relocation; (iii) a material adverse change in the Employee's title, authority, duties or responsibilities (other than temporarily while the Employee is physically or mentally incapacitated or as required by applicable law).

(g) "Release" means a release of claims in favor of the Company, its affiliates and their respective officers and directors in the form attached as Appendix B.

(h) "Release Execution Period" means a period of thirty (30) calendar days immediately following the Termination Date.

(i) "Termination Date" means (i) if the Company terminates the Employee's employment for Cause, the date the Notice of Termination is delivered to the Employee; and (ii) if the Employee terminates his employment hereunder with Good Reason, the date specified in the Employee's Notice of Termination, which shall be no less than thirty (30) calendar days following the date on which the Notice of Termination is delivered.

Appendix B

RELEASE AGREEMENT

THIS RELEASE AGREEMENT (this "Agreement") is made and entered into by and between Alico, Inc. and its wholly owned subsidiaries and its successors and assigns ("Alico") and _____ and his/her heirs, spouse, assigns, executors, administrators and attorneys ("Executive").

Pursuant to his/her Change in Control Agreement with Alico ("CIC Agreement"), Executive and Alico, desiring to resolve all actual or potential claims Executive may have against Alico, agree as follows:

1. **Obligation of Alico.** In consideration of Executive's obligations set forth below, Alico shall provide to Executive the compensation described in Section 3(a) of the CIC Agreement between Alico and Executive. Executive retains all of his rights under any outstanding awards or benefits to Employee under the 2008 Incentive Equity Plan, the 2013 Incentive Equity Plan, Alico's MSP Plan, and any Restricted Stock Award Agreement between Executive and Alico. Nothing contained herein shall be deemed to release any of Executive's rights (i) to indemnification under any indemnification agreement between Executive and Alico or under the articles of incorporation or bylaws of Alico, or under Section 607.0850, Florida Statutes, or any of Executive's rights to advances or reimbursement under any directors' and officers' liability insurance policies maintained by Alico or (ii) under the 2008 Incentive Equity Plan, the 2013 Incentive Equity Plan, Alico's MSP Plan, and any Restricted Stock Award Agreement between Executive and Alico.

2. **Obligations of Executive.** In consideration of Alico's obligations set forth in this Agreement:

(a) Executive waives, and releases Alico, and its directors, officers, employees, representatives, benefit plan administrators, agents and attorneys, both individually and collectively (hereinafter collectively referred to as "the Released Parties"), from, all claims, rights, and causes of action, both known and unknown, in law or in equity, of any kind whatsoever that Executive has or could have maintained against any of the Released Parties arising out of his employment with Alico through the date of signing this Agreement or his separation from employment with Alico, including any claim for attorney's fees. Without limiting the generality of the foregoing, Executive waives, and releases all of the Released Parties from, all claims, rights, and causes of action relating to or arising out of Executive's employment with, conditions of employment with, compensation by, or separation of employment from, Alico, including, without limitation, any claims, rights, charges, or causes of action arising under Title VII of the Civil Rights Act of 1964, as amended; the Civil Rights Acts of 1866 and 1871; the Age Discrimination in Employment Act of 1967, as amended; Executive Order Nos. 11246 and 11478; the Equal Pay Act of 1963, as amended; the Employee Retirement Income Security Act of 1974, as amended; the Rehabilitation Act of 1973, as amended; the Florida Civil Rights Act of 1992; Florida Statutes §§ 440.205 and 448.102; the Americans with Disabilities Act of 1990, as amended; the Family and Medical Leave Act of 1993; the National Labor Relations Act of 1935, as amended; the Fair Labor Standards Act of 1938, as amended; the Occupational Safety and Health Act of 1970, as amended; the Genetic Information Nondiscrimination Act of 2008; and the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, and any other federal or state law or local ordinance, including any suit in tort (including fraud, promissory estoppel and negligence) or contract (whether oral, written or implied), or any other common law or

equitable basis of action, except for any claim which may not lawfully be waived in this manner.

(b) Executive represents that while he/she is not legally barred from filing a charge of discrimination, he/she has not filed, and does not intend to file, any charge of discrimination against any of the Released Parties with any federal, state or local agency and understands that Alico has reasonably relied on his/her representations in this paragraph in agreeing to perform the obligation set forth in Section 1 of this Agreement. Executive further waives any right to recovery based on any charge of discrimination filed by him/her or on his/her behalf.

3. **Non-Admission.** Neither this Agreement, nor anything contained in it, shall be construed as an admission by any of the Released Parties of any liability, wrongdoing or unlawful conduct whatsoever.

4. **Severability.** If a court of competent jurisdiction invalidates any provision of this Agreement, then all of the remaining provisions of this Agreement shall continue unabated and in full force and effect.

5. **Entire Agreement.** This Agreement contains the entire understanding and agreement between the parties regarding the subject matter of this Agreement and shall not be modified or superseded except upon express written consent of the parties to this Agreement. Executive represents and acknowledges that in executing this Agreement, he/she does not rely and has not relied upon any representation or statement made by Alico or its agents, representatives or attorneys which is not set forth in this Agreement.

6. **Governing Law.** The laws of the State of Florida shall govern this Agreement, and any action to enforce this Agreement shall be brought in Lee County, Florida where jurisdiction and venue shall lie.

7. **Opportunity to Consider and Confer.** Executive acknowledges that he/she has had the opportunity to read, study, consider, and deliberate upon this Agreement. He/she further acknowledges and understands that he/she has been given a period of twenty-one (21) days in which he/she may, but is not required to, consider this Agreement, that after he/she signs it, he/she has seven (7) days in which to revoke it. Executive further acknowledges that he/she fully understands and completely agrees with all of the terms of this Agreement and that he/she has been, and hereby is, specifically advised to consult with his/her attorney before executing this Agreement.

8. **Effective Date.** Assuming Executive signs this Agreement and does not revoke it as provided in Section 7 above, this Agreement becomes effective thirty (30) days after the Termination Date as defined in Appendix A to the CIC Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, and intending to be legally bound hereby, Alico and Executive hereby execute this Severance Agreement and Release, consisting of three (3) pages (including this signature page) and including ten (10) enumerated sections, by signing below voluntarily and with full knowledge of the significance of all of its provisions.

PLEASE READ CAREFULLY. THIS RESIGNATION AGREEMENT, WAIVER AND RELEASE INCLUDES A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

Sworn to and subscribed before me
this ____ day of _____, 20__.

Notary Public, State of Florida at Large
My Commission Expires:

Executive

Executed at Ft. Myers, Florida,
this ____ day of _____, 20__.

Sworn to and subscribed before me
this ____ day of _____, 20__.

Notary Public, State of Florida at Large
My Commission Expires:

Alico, Inc.

By _____
Its: _____

Executed at Ft. Myers, Florida,
this ____ day of _____, 20__.

Change in Control Agreement

THIS CHANGE IN CONTROL AGREEMENT (this "Agreement") is made and entered into effective as of March _____, 2013 (the "Effective Date"), by and between **W. MARK HUMPHREY** (the "Employee") and **ALICO, INC.**, a Florida corporation (the "Company").

Recitals:

WHEREAS, the Employee is a key employee of the Company; and

WHEREAS, the Company desires to provide the Employee with certain additional compensation and benefits in the event that a Change in Control (as defined herein) of the Company occurs.

NOW, THEREFORE, in consideration of the mutual covenants, promises and obligations set forth herein, the parties agree as follows:

Section 1. Definitions. Certain terms used in this Agreement shall have the meanings set forth in Appendix A attached hereto.

Section 2. Term. This Agreement is effective as of the Effective Date and will continue in effect until December 31, 2014; *provided, however*, that commencing on January 1, 2015, and each January 1 thereafter, the term of this Agreement will automatically be extended for one (1) additional year beyond the expiration date otherwise then in effect, unless at least thirty (30) calendar days prior to any such January 1, the Company or the Employee provides the other notice that this Agreement will not be extended; and, provided, further, that this Agreement will continue in effect beyond the termination date then in effect for a period of eighteen (18) calendar months following a Change in Control if a Change in Control has occurred during such term.

Section 3. Change in Control Termination.

(a) If the Employee's employment is terminated by the Employee for Good Reason or by the Company without Cause (other than on account of the Employee's death or Disability), in each case within eighteen (18) months following a Change in Control, and subject to the Employee's execution of a release in the form attached hereto as Appendix B ("Release") which becomes effective within thirty (30) calendar days following the Termination Date, then the Employee shall be entitled to receive, in addition to any other compensation or benefits to which the Employee may otherwise be entitled, aggregate payments equal to the sum of (A) the Employee's Base Salary for the year in which the Termination Date occurs (or if greater, the year immediately preceding the year in which the Change in Control occurs), and (B) the average amount of cash compensation, other than Base Salary, that was earned by the Employee with respect to the three (3) fiscal years (or such fewer number of fiscal years that the Employee was employed by the Company) prior to the fiscal year in which the Termination Date occurs, which amount shall be payable in twelve (12) monthly installments with the first installment to be paid within thirty (30) calendar days following the Termination Date.

(b) If the Employee's employment is terminated by the Employee for Good Reason or by the Company without Cause (other than on account of the Employee's death or Disability),

this shall be communicated by written notice of termination (“Notice of Termination”) to the other party hereto in accordance with Section 14. The Notice of Termination shall specify:

- (i) the facts and circumstances claimed to provide a basis for Good Reason, if the Notice of Termination is given by the Employee; and
- (ii) the applicable Termination Date.

Section 4. No Employment or Service Contract. Nothing in this Agreement is intended to provide the Employee with any right to continue in the employ of the Company for any period of specific duration or interfere with or otherwise restrict in any way the Employee’s rights or the rights of the Company, which rights are hereby expressly reserved by each, to terminate the Employee’s employment at any time for any reason or no reason whatsoever, with or without Cause.

Section 5. Dispute Resolution. Any controversy or claim arising out of or relating to this Agreement shall be settled by arbitration administered by the American Arbitration Association under its National Rules for the Resolution of Employment Disputes and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The place of arbitration shall be Fort Myers, Florida.

Section 6. Governing Law; Jurisdiction and Venue. This Agreement, for all purposes, shall be construed in accordance with the laws of Florida without regard to conflicts of law principles. Subject to Section 5, any action or proceeding by either of the parties to enforce this Agreement shall be brought only in a state or federal court located in the state of Florida, County of Lee. The parties hereby irrevocably submit to the exclusive jurisdiction of such courts and waive the defense of inconvenient forum to the maintenance of any such action or proceeding in such venue.

Section 7. Attorneys’ Fees. If any legal action or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default, claim, or misrepresentation arising out of or in connection with any of the provisions of this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys’ fees, arbitration expenses, court costs, and other expenses, whether at trial, upon appeal, or during investigation by such prevailing party in prosecuting or defending such arbitration, legal action or other proceeding. The prevailing party shall be entitled to recover attorneys’ fees, costs, and expenses incurred in establishing or quantifying the amount of attorneys’ fees, costs, and expenses due to it. The costs and expenses to which the prevailing party shall be entitled pursuant to this Agreement are not limited to taxable costs and shall include, but not be limited to, costs of experts and investigation; costs of copying documents and other materials (whether for discovery, trial, or any other purpose); costs for electronic discovery; Westlaw, Lexis Nexis, and other electronic research service charges; telephone charges; mailing, commercial delivery service, and courier charges; travel expenses (whether for investigation, depositions, hearings, trial, or any other purpose); information technology support charges; any and all consultant or expert witness fees (whether or not the consultant or expert witness prepares a court-ordered report or testifies at a deposition, hearing, or trial); and any other costs or expenses incurred in any legal action or other proceeding as described in this paragraph. Nothing contained herein shall be deemed to create any obligation for any party to advance fees to another party prior to the conclusion of any proceedings.

Section 8. Entire Agreement. Unless specifically provided herein, this Agreement contains all of the understandings and representations between the Employee and the Company pertaining to the subject matter hereof and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to such subject matter. The parties mutually agree that the Agreement can be specifically enforced in court and can be cited as evidence in legal proceedings alleging breach of the Agreement. Notwithstanding the foregoing, nothing contained in this Agreement shall be deemed to (i) modify the terms of any outstanding awards or benefits to Employee under the 2008 Incentive Equity Plan or the 2013 Incentive Equity Plan, the Company's MSP Plan or any Restricted Stock Award Agreement between Employee and the Company, or (ii) release any of Employee's rights to indemnification under any indemnification agreement between Employee and the Company or under the Articles of Incorporation or bylaws of the Company or under Section 607.0850, Florida Statutes, or any of Employee's rights to advances or reimbursement under any directors' and officers' liability policies maintained by the Company.

Section 9. Modification and Waiver. No provision of this Agreement may be amended or modified unless such amendment or modification is agreed to in writing and signed by the Employee and by the Chief Executive Officer of the Company. No waiver by either of the parties of any breach by the other party hereto of any condition or provision of this Agreement to be performed by the other party hereto shall be deemed a waiver of any similar or dissimilar provision or condition at the same or any prior or subsequent time, nor shall the failure of or delay by either of the parties in exercising any right, power or privilege hereunder operate as a waiver thereof to preclude any other or further exercise thereof or the exercise of any other such right, power or privilege.

Section 10. Severability. Should any provision of this Agreement be held by a court of competent jurisdiction to be enforceable only if modified, or if any portion of this Agreement shall be held as unenforceable and thus stricken, such holding shall not affect the validity of the remainder of this Agreement, the balance of which shall continue to be binding upon the parties with any such modification to become a part hereof and treated as though originally set forth in this Agreement. The parties further agree that any such court is expressly authorized to modify any such unenforceable provision of this Agreement in lieu of severing such unenforceable provision from this Agreement in its entirety, whether by rewriting the offending provision, deleting any or all of the offending provision, adding additional language to this Agreement or by making such other modifications as it deems warranted to carry out the intent and agreement of the parties as embodied herein to the maximum extent permitted by law. The parties expressly agree that this Agreement as so modified by the court shall be binding upon and enforceable against each of them. In any event, should one or more of the provisions of this Agreement be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions hereof, and if such provision or provisions are not modified as provided above, this Agreement shall be construed as if such invalid, illegal or unenforceable provisions had not been set forth herein.

Section 11. Captions. Captions and headings of the sections and paragraphs of this Agreement are intended solely for convenience and no provision of this Agreement is to be construed by reference to the caption or heading of any Section or paragraph.

Section 12. Counterparts. This Agreement may be executed in separate counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

ALICO, INC.

By _____

Name: _____

Title: _____

W. MARK HUMPHREY

APPENDIX A

(a) “Base Salary” means the Employee’s annual base salary, as in effect from time to time.

(b) “Board” means the Board of Directors of the Company.

(c) “Cause” means (i) the Employee’s willful failure to perform his duties (other than any such failure resulting from incapacity due to physical or mental illness); (ii) the Employee’s willful failure to comply with any valid and legal directive of the Board; (iii) the Employee’s willful engagement in dishonesty, illegal conduct or gross misconduct, which is, in each case, materially injurious to the Company or its affiliates; (iv) the Employee’s embezzlement, misappropriation or fraud, whether or not related to the Employee’s employment with the Company; (v) the Employee’s conviction of or plea of guilty or *nolo contendere* to a crime that constitutes a felony (or state law equivalent) or a crime that constitutes a misdemeanor involving moral turpitude; (vi) the Employee’s willful unauthorized disclosure of Confidential Information; or (vii) any material failure by the Employee to comply with the Company’s written policies or rules, as they may be in effect from time to time during the Employment Term, if such failure causes material harm to the Company. No act or failure to act on the part of the Employee shall be considered “willful” unless it is done, or omitted to be done, by the Employee in bad faith or without reasonable belief that the Employee’s action or omission was in the best interests of the Company. Except for a failure, breach or refusal which, by its nature, cannot reasonably be expected to be cured, the Employee shall have ten (10) business days from the delivery of written notice by the Company within which to cure any acts constituting Cause; provided however, that, if the Company reasonably expects irreparable injury from a delay of ten (10) business days, the Company may give the Employee notice of such shorter period within which to cure as is reasonable under the circumstances, which may include the termination of the Employee’s employment without notice and with immediate effect.

(d) “Change in Control” means (i) any time at which individuals who, as of the date hereof, constitute the board of directors (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company’s shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board; (ii) the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended, (the “Exchange Act”)) (a “Person”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of fifty percent (50%) or more of either (A) the then-outstanding shares of Stock (the “Outstanding Company Shares”) or (B) the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors (the “Outstanding Voting Securities”) of the Company (the “Outstanding Company Voting Securities”); provided that, for purposes of this definition, the following acquisitions shall not constitute a Change of Control; (x) any acquisition directly from the Company; (y) any acquisition by the Company; and (z) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any of its affiliates; (iii) the consummation of a reorganization, merger, consolidation, statutory share exchange or similar form of corporate transaction involving the Company (a “Reorganization”), or the sale or other disposition of all or substantially all of the Company’s assets (a “Sale”), unless immediately following such Reorganization or Sale, all of the individuals and entities that were the beneficial owners of the Outstanding Company Shares immediately prior to such Reorganization or Sale beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting shares entitled to vote

generally in the election of directors, as the case may be, of the corporation resulting from such Reorganization or Sale, including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets or stock either directly or through one or more subsidiaries; or (iv) a liquidation of the Company by vote of the shareholders of the Company.

(e) "Disability" means mean the Employee's inability, due to physical or mental incapacity, to substantially perform his duties and responsibilities under this Agreement for one hundred eighty (180) days out of any three hundred sixty-five (365) day period or one hundred twenty (120) consecutive days. Any question as to the existence of the Employee's Disability as to which the Employee and the Company cannot agree shall be determined in writing by a qualified independent physician mutually acceptable to the Employee and the Company. If the Employee and the Company cannot agree as to a qualified independent physician, each shall appoint such a physician and those two physicians shall select a third who shall make such determination in writing. The determination of Disability made in writing to the Company and the Employee shall be final and conclusive for all purposes of this Agreement.

(f) "Good Reason" means the occurrence of any of the following, in each case without the Employee's written consent: (i) a reduction in the Employee's Base Salary or annual incentive compensation potential; (ii) a relocation of the Employee's principal place of employment by more than fifty (50) miles, except for required travel on Company business to an extent substantially consistent with the Employee's business travel obligations as of the date of relocation; (iii) a material adverse change in the Employee's title, authority, duties or responsibilities (other than temporarily while the Employee is physically or mentally incapacitated or as required by applicable law).

(g) "Release" means a release of claims in favor of the Company, its affiliates and their respective officers and directors in the form attached as Appendix B.

(h) "Release Execution Period" means a period of thirty (30) calendar days immediately following the Termination Date.

(i) "Termination Date" means (i) if the Company terminates the Employee's employment for Cause, the date the Notice of Termination is delivered to the Employee; and (ii) if the Employee terminates his employment hereunder with Good Reason, the date specified in the Employee's Notice of Termination, which shall be no less than thirty (30) calendar days following the date on which the Notice of Termination is delivered.

APPENDIX B

RELEASE AGREEMENT

THIS RELEASE AGREEMENT (this "Agreement") is made and entered into by and between Alico, Inc. and its wholly owned subsidiaries and its successors and assigns ("Alico") and _____ and his/her heirs, spouse, assigns, executors, administrators and attorneys ("Executive").

Pursuant to his/her Change in Control Agreement with Alico ("CIC Agreement"), Executive and Alico, desiring to resolve all actual or potential claims Executive may have against Alico, agree as follows:

1. **Obligation of Alico.** In consideration of Executive's obligations set forth below, Alico shall provide to Executive the compensation described in Section 3(a) of the CIC Agreement between Alico and Executive. Executive retains all of his rights under any outstanding awards or benefits to Employee under the 2008 Incentive Equity Plan, the 2013 Incentive Equity Plan, Alico's MSP Plan, and any Restricted Stock Award Agreement between Executive and Alico. Nothing contained herein shall be deemed to release any of Executive's rights (i) to indemnification under any indemnification agreement between Executive and Alico or under the articles of incorporation or bylaws of Alico, or under Section 607.0850, Florida Statutes, or any of Executive's rights to advances or reimbursement under any directors' and officers' liability insurance policies maintained by Alico or (ii) under the 2008 Incentive Equity Plan, the 2013 Incentive Equity Plan, Alico's MSP Plan, and any Restricted Stock Award Agreement between Executive and Alico.

2. **Obligations of Executive.** In consideration of Alico's obligations set forth in this Agreement:

(a) Executive waives, and releases Alico, and its directors, officers, employees, representatives, benefit plan administrators, agents and attorneys, both individually and collectively (hereinafter collectively referred to as "the Released Parties"), from, all claims, rights, and causes of action, both known and unknown, in law or in equity, of any kind whatsoever that Executive has or could have maintained against any of the Released Parties arising out of his employment with Alico through the date of signing this Agreement or his separation from employment with Alico, including any claim for attorney's fees. Without limiting the generality of the foregoing, Executive waives, and releases all of the Released Parties from, all claims, rights, and causes of action relating to or arising out of Executive's employment with, conditions of employment with, compensation by, or separation of employment from, Alico, including, without limitation, any claims, rights, charges, or causes of action arising under Title VII of the Civil Rights Act of 1964, as amended; the Civil Rights Acts of 1866 and 1871; the Age Discrimination in Employment Act of 1967, as amended; Executive Order Nos. 11246 and 11478; the Equal Pay Act of 1963, as amended; the Employee Retirement Income Security Act of 1974, as amended; the Rehabilitation Act of 1973, as amended; the Florida Civil Rights Act of 1992; Florida Statutes §§ 440.205 and 448.102; the Americans with Disabilities Act of 1990, as amended; the Family and Medical Leave Act of 1993; the National Labor Relations Act of 1935, as amended; the Fair Labor Standards Act of 1938, as amended; the Occupational Safety and Health Act of 1970, as amended; the Genetic Information Nondiscrimination Act of 2008; and the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, and any other federal or state law or local ordinance, including any suit in tort (including fraud, promissory estoppel and negligence) or contract (whether oral, written or implied), or any other common law or

equitable basis of action, except for any claim which may not lawfully be waived in this manner.

(b) Executive represents that while he/she is not legally barred from filing a charge of discrimination, he/she has not filed, and does not intend to file, any charge of discrimination against any of the Released Parties with any federal, state or local agency and understands that Alico has reasonably relied on his/her representations in this paragraph in agreeing to perform the obligation set forth in Section 1 of this Agreement. Executive further waives any right to recovery based on any charge of discrimination filed by him/her or on his/her behalf.

3. **Non-Admission.** Neither this Agreement, nor anything contained in it, shall be construed as an admission by any of the Released Parties of any liability, wrongdoing or unlawful conduct whatsoever.

4. **Severability.** If a court of competent jurisdiction invalidates any provision of this Agreement, then all of the remaining provisions of this Agreement shall continue unabated and in full force and effect.

5. **Entire Agreement.** This Agreement contains the entire understanding and agreement between the parties regarding the subject matter of this Agreement and shall not be modified or superseded except upon express written consent of the parties to this Agreement. Executive represents and acknowledges that in executing this Agreement, he/she does not rely and has not relied upon any representation or statement made by Alico or its agents, representatives or attorneys which is not set forth in this Agreement.

6. **Governing Law.** The laws of the State of Florida shall govern this Agreement, and any action to enforce this Agreement shall be brought in Lee County, Florida where jurisdiction and venue shall lie.

7. **Opportunity to Consider and Confer.** Executive acknowledges that he/she has had the opportunity to read, study, consider, and deliberate upon this Agreement. He/she further acknowledges and understands that he/she has been given a period of twenty-one (21) days in which he/she may, but is not required to, consider this Agreement, that after he/she signs it, he/she has seven (7) days in which to revoke it. Executive further acknowledges that he/she fully understands and completely agrees with all of the terms of this Agreement and that he/she has been, and hereby is, specifically advised to consult with his/her attorney before executing this Agreement.

8. **Effective Date.** Assuming Executive signs this Agreement and does not revoke it as provided in Section 7 above, this Agreement becomes effective thirty (30) days after the Termination Date as defined in Appendix A to the CIC Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, and intending to be legally bound hereby, Alico and Executive hereby execute this Severance Agreement and Release, consisting of three (3) pages (including this signature page) and including ten (10) enumerated sections, by signing below voluntarily and with full knowledge of the significance of all of its provisions.

PLEASE READ CAREFULLY. THIS RESIGNATION AGREEMENT, WAIVER AND RELEASE INCLUDES A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

Sworn to and subscribed before me
this ____ day of _____, 20__.

Notary Public, State of Florida at Large
My Commission Expires:

Executive

Executed at Ft. Myers, Florida,
this ____ day of _____, 20__.

Sworn to and subscribed before me
this ____ day of _____, 20__.

Notary Public, State of Florida at Large
My Commission Expires:

Alico, Inc.

By _____
Its: _____

Executed at Ft. Myers, Florida,
this ____ day of _____, 20__.

Change in Control Agreement

THIS CHANGE IN CONTROL AGREEMENT (this "Agreement") is made and entered into effective as of March _____, 2013 (the "Effective Date"), by and between **STEVEN C. LEWIS** (the "Employee") and **ALICO, INC.**, a Florida corporation (the "Company").

Recitals:

WHEREAS, the Employee is a key employee of the Company; and

WHEREAS, the Company desires to provide the Employee with certain additional compensation and benefits in the event that a Change in Control (as defined herein) of the Company occurs.

NOW, THEREFORE, in consideration of the mutual covenants, promises and obligations set forth herein, the parties agree as follows:

Section 1. Definitions. Certain terms used in this Agreement shall have the meanings set forth in Appendix A attached hereto.

Section 2. Term. This Agreement is effective as of the Effective Date and will continue in effect until December 31, 2014; *provided, however*, that commencing on January 1, 2015, and each January 1 thereafter, the term of this Agreement will automatically be extended for one (1) additional year beyond the expiration date otherwise then in effect, unless at least thirty (30) calendar days prior to any such January 1, the Company or the Employee provides the other notice that this Agreement will not be extended; and, provided, further, that this Agreement will continue in effect beyond the termination date then in effect for a period of eighteen (18) calendar months following a Change in Control if a Change in Control has occurred during such term.

Section 3. Change in Control Termination.

(a) If the Employee's employment is terminated by the Employee for Good Reason or by the Company without Cause (other than on account of the Employee's death or Disability), in each case within eighteen (18) months following a Change in Control, and subject to the Employee's execution of a release in the form attached hereto as Appendix B ("Release") which becomes effective within thirty (30) calendar days following the Termination Date, then the Employee shall be entitled to receive, in addition to any other compensation or benefits to which the Employee may otherwise be entitled, aggregate payments equal to the sum of (A) the Employee's Base Salary for the year in which the Termination Date occurs (or if greater, the year immediately preceding the year in which the Change in Control occurs), and (B) the average amount of cash compensation, other than Base Salary, that was earned by the Employee with respect to the three (3) fiscal years (or such fewer number of fiscal years that the Employee was employed by the Company) prior to the fiscal year in which the Termination Date occurs, which amount shall be payable in twelve (12) monthly installments with the first installment to be paid within thirty (30) calendar days following the Termination Date.

(b) If the Employee's employment is terminated by the Employee for Good Reason or by the Company without Cause (other than on account of the Employee's death or Disability),

this shall be communicated by written notice of termination (“Notice of Termination”) to the other party hereto in accordance with Section 14. The Notice of Termination shall specify:

- (i) the facts and circumstances claimed to provide a basis for Good Reason, if the Notice of Termination is given by the Employee; and
- (ii) the applicable Termination Date.

Section 4. No Employment or Service Contract. Nothing in this Agreement is intended to provide the Employee with any right to continue in the employ of the Company for any period of specific duration or interfere with or otherwise restrict in any way the Employee’s rights or the rights of the Company, which rights are hereby expressly reserved by each, to terminate the Employee’s employment at any time for any reason or no reason whatsoever, with or without Cause.

Section 5. Dispute Resolution. Any controversy or claim arising out of or relating to this Agreement shall be settled by arbitration administered by the American Arbitration Association under its National Rules for the Resolution of Employment Disputes and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The place of arbitration shall be Fort Myers, Florida.

Section 6. Governing Law; Jurisdiction and Venue. This Agreement, for all purposes, shall be construed in accordance with the laws of Florida without regard to conflicts of law principles. Subject to Section 5, any action or proceeding by either of the parties to enforce this Agreement shall be brought only in a state or federal court located in the state of Florida, County of Lee. The parties hereby irrevocably submit to the exclusive jurisdiction of such courts and waive the defense of inconvenient forum to the maintenance of any such action or proceeding in such venue.

Section 7. Attorneys’ Fees. If any legal action or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default, claim, or misrepresentation arising out of or in connection with any of the provisions of this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys’ fees, arbitration expenses, court costs, and other expenses, whether at trial, upon appeal, or during investigation by such prevailing party in prosecuting or defending such arbitration, legal action or other proceeding. The prevailing party shall be entitled to recover attorneys’ fees, costs, and expenses incurred in establishing or quantifying the amount of attorneys’ fees, costs, and expenses due to it. The costs and expenses to which the prevailing party shall be entitled pursuant to this Agreement are not limited to taxable costs and shall include, but not be limited to, costs of experts and investigation; costs of copying documents and other materials (whether for discovery, trial, or any other purpose); costs for electronic discovery; Westlaw, Lexis Nexis, and other electronic research service charges; telephone charges; mailing, commercial delivery service, and courier charges; travel expenses (whether for investigation, depositions, hearings, trial, or any other purpose); information technology support charges; any and all consultant or expert witness fees (whether or not the consultant or expert witness prepares a court-ordered report or testifies at a deposition, hearing, or trial); and any other costs or expenses incurred in any legal action or other proceeding as described in this paragraph. Nothing contained herein shall be deemed to create any obligation for any party to advance fees to another party prior to the conclusion of any proceedings.

Section 8. Entire Agreement. Unless specifically provided herein, this Agreement contains all of the understandings and representations between the Employee and the Company pertaining to the subject matter hereof and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, with respect to such subject matter. The parties mutually agree that the Agreement can be specifically enforced in court and can be cited as evidence in legal proceedings alleging breach of the Agreement. Notwithstanding the foregoing, nothing contained in this Agreement shall be deemed to (i) modify the terms of any outstanding awards or benefits to Employee under the 2008 Incentive Equity Plan or the 2013 Incentive Equity Plan, the Company's MSP Plan or any Restricted Stock Award Agreement between Employee and the Company, or (ii) release any of Employee's rights to indemnification under any indemnification agreement between Employee and the Company or under the Articles of Incorporation or bylaws of the Company or under Section 607.0850, Florida Statutes, or any of Employee's rights to advances or reimbursement under any directors' and officers' liability policies maintained by the Company.

Section 9. Modification and Waiver. No provision of this Agreement may be amended or modified unless such amendment or modification is agreed to in writing and signed by the Employee and by the Chief Executive Officer of the Company. No waiver by either of the parties of any breach by the other party hereto of any condition or provision of this Agreement to be performed by the other party hereto shall be deemed a waiver of any similar or dissimilar provision or condition at the same or any prior or subsequent time, nor shall the failure of or delay by either of the parties in exercising any right, power or privilege hereunder operate as a waiver thereof to preclude any other or further exercise thereof or the exercise of any other such right, power or privilege.

Section 10. Severability. Should any provision of this Agreement be held by a court of competent jurisdiction to be enforceable only if modified, or if any portion of this Agreement shall be held as unenforceable and thus stricken, such holding shall not affect the validity of the remainder of this Agreement, the balance of which shall continue to be binding upon the parties with any such modification to become a part hereof and treated as though originally set forth in this Agreement. The parties further agree that any such court is expressly authorized to modify any such unenforceable provision of this Agreement in lieu of severing such unenforceable provision from this Agreement in its entirety, whether by rewriting the offending provision, deleting any or all of the offending provision, adding additional language to this Agreement or by making such other modifications as it deems warranted to carry out the intent and agreement of the parties as embodied herein to the maximum extent permitted by law. The parties expressly agree that this Agreement as so modified by the court shall be binding upon and enforceable against each of them. In any event, should one or more of the provisions of this Agreement be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions hereof, and if such provision or provisions are not modified as provided above, this Agreement shall be construed as if such invalid, illegal or unenforceable provisions had not been set forth herein.

Section 11. Captions. Captions and headings of the sections and paragraphs of this Agreement are intended solely for convenience and no provision of this Agreement is to be construed by reference to the caption or heading of any Section or paragraph.

Section 12. Counterparts. This Agreement may be executed in separate counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

Section 13. Successors and Assigns. This Agreement is personal to the Employee and shall not be assigned by the Employee. Any purported assignment by the Employee shall be null and void from the initial date of the purported assignment. The Company may assign this Agreement to any successor or assign (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company. This Agreement shall inure to the benefit of the Company and permitted successors and assigns.

Section 14. Notice. Notices and all other communications provided for in this Agreement shall be in writing and shall be delivered personally or sent by registered or certified mail, return receipt requested, or by overnight carrier to the parties at the addresses set forth below (or such other addresses as specified by the parties by like notice):

If to the Company:	Alico, Inc. 10070 Daniels Interstate Court Suite 100 Fort Myers, FL 33913 Attention: Chief Executive Officer
--------------------	--

If to the Employee:	Steven C. Lewis _____ _____ _____
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Section 15. Withholding. The Company shall have the right to withhold from any amount payable hereunder any Federal, state and local taxes in order for the Company to satisfy any withholding tax obligation it may have under any applicable law or regulation.

Section 16. Survival. Upon the expiration or other termination of this Agreement, the respective rights and obligations of the parties hereto shall survive such expiration or other termination to the extent necessary to carry out the intentions of the parties under this Agreement.

Section 17. Acknowledgment of Full Understanding. THE EMPLOYEE ACKNOWLEDGES AND AGREES THAT THE EMPLOYEE HAS FULLY READ, UNDERSTANDS AND VOLUNTARILY ENTERS INTO THIS AGREEMENT. THE EMPLOYEE ACKNOWLEDGES AND AGREES THAT THE EMPLOYEE HAS HAD AN OPPORTUNITY TO ASK QUESTIONS AND CONSULT WITH AN ATTORNEY OF HIS OR HER CHOICE BEFORE SIGNING THIS AGREEMENT.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

ALICO, INC.

By _____

Name: _____

Title: _____

STEVEN C. LEWIS

APPENDIX A

(a) “Base Salary” means the Employee’s annual base salary, as in effect from time to time.

(b) “Board” means the Board of Directors of the Company.

(c) “Cause” means (i) the Employee’s willful failure to perform his duties (other than any such failure resulting from incapacity due to physical or mental illness); (ii) the Employee’s willful failure to comply with any valid and legal directive of the Board; (iii) the Employee’s willful engagement in dishonesty, illegal conduct or gross misconduct, which is, in each case, materially injurious to the Company or its affiliates; (iv) the Employee’s embezzlement, misappropriation or fraud, whether or not related to the Employee’s employment with the Company; (v) the Employee’s conviction of or plea of guilty or *nolo contendere* to a crime that constitutes a felony (or state law equivalent) or a crime that constitutes a misdemeanor involving moral turpitude; (vi) the Employee’s willful unauthorized disclosure of Confidential Information; or (vii) any material failure by the Employee to comply with the Company’s written policies or rules, as they may be in effect from time to time during the Employment Term, if such failure causes material harm to the Company. No act or failure to act on the part of the Employee shall be considered “willful” unless it is done, or omitted to be done, by the Employee in bad faith or without reasonable belief that the Employee’s action or omission was in the best interests of the Company. Except for a failure, breach or refusal which, by its nature, cannot reasonably be expected to be cured, the Employee shall have ten (10) business days from the delivery of written notice by the Company within which to cure any acts constituting Cause; provided however, that, if the Company reasonably expects irreparable injury from a delay of ten (10) business days, the Company may give the Employee notice of such shorter period within which to cure as is reasonable under the circumstances, which may include the termination of the Employee’s employment without notice and with immediate effect.

(d) “Change in Control” means (i) any time at which individuals who, as of the date hereof, constitute the board of directors (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the date hereof whose election, or nomination for election by the Company’s shareholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board; (ii) the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended, (the “Exchange Act”)) (a “Person”) of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of fifty percent (50%) or more of either (A) the then-outstanding shares of Stock (the “Outstanding Company Shares”) or (B) the combined voting power of the then-outstanding voting securities entitled to vote generally in the election of directors (the “Outstanding Voting Securities”) of the Company (the “Outstanding Company Voting Securities”); provided that, for purposes of this definition, the following acquisitions shall not constitute a Change of Control; (x) any acquisition directly from the Company; (y) any acquisition by the Company; and (z) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any of its affiliates; (iii) the consummation of a reorganization, merger, consolidation, statutory share exchange or similar form of corporate transaction involving the Company (a “Reorganization”), or the sale or other disposition of all or substantially all of the Company’s assets (a “Sale”), unless immediately following such Reorganization or Sale, all of the individuals and entities that were the beneficial owners of the Outstanding Company Shares immediately prior to such Reorganization or Sale beneficially own, directly or indirectly, more than 50% of, respectively, the then outstanding shares of common stock and the combined voting power of the then outstanding voting shares entitled to vote

generally in the election of directors, as the case may be, of the corporation resulting from such Reorganization or Sale, including, without limitation, a corporation which as a result of such transaction owns the Company or all or substantially all of the Company's assets or stock either directly or through one or more subsidiaries; or (iv) a liquidation of the Company by vote of the shareholders of the Company.

(e) "Disability" means mean the Employee's inability, due to physical or mental incapacity, to substantially perform his duties and responsibilities under this Agreement for one hundred eighty (180) days out of any three hundred sixty-five (365) day period or one hundred twenty (120) consecutive days. Any question as to the existence of the Employee's Disability as to which the Employee and the Company cannot agree shall be determined in writing by a qualified independent physician mutually acceptable to the Employee and the Company. If the Employee and the Company cannot agree as to a qualified independent physician, each shall appoint such a physician and those two physicians shall select a third who shall make such determination in writing. The determination of Disability made in writing to the Company and the Employee shall be final and conclusive for all purposes of this Agreement.

(f) "Good Reason" means the occurrence of any of the following, in each case without the Employee's written consent: (i) a reduction in the Employee's Base Salary or annual incentive compensation potential; (ii) a relocation of the Employee's principal place of employment by more than fifty (50) miles, except for required travel on Company business to an extent substantially consistent with the Employee's business travel obligations as of the date of relocation; (iii) a material adverse change in the Employee's title, authority, duties or responsibilities (other than temporarily while the Employee is physically or mentally incapacitated or as required by applicable law).

(g) "Release" means a release of claims in favor of the Company, its affiliates and their respective officers and directors in the form attached as Appendix B.

(h) "Release Execution Period" means a period of thirty (30) calendar days immediately following the Termination Date.

(i) "Termination Date" means (i) if the Company terminates the Employee's employment for Cause, the date the Notice of Termination is delivered to the Employee; and (ii) if the Employee terminates his employment hereunder with Good Reason, the date specified in the Employee's Notice of Termination, which shall be no less than thirty (30) calendar days following the date on which the Notice of Termination is delivered.

Appendix B

RELEASE AGREEMENT

THIS RELEASE AGREEMENT (this "Agreement") is made and entered into by and between Alico, Inc. and its wholly owned subsidiaries and its successors and assigns ("Alico") and _____ and his/her heirs, spouse, assigns, executors, administrators and attorneys ("Executive").

Pursuant to his/her Change in Control Agreement with Alico ("CIC Agreement"), Executive and Alico, desiring to resolve all actual or potential claims Executive may have against Alico, agree as follows:

1. **Obligation of Alico.** In consideration of Executive's obligations set forth below, Alico shall provide to Executive the compensation described in Section 3(a) of the CIC Agreement between Alico and Executive. Executive retains all of his rights under any outstanding awards or benefits to Employee under the 2008 Incentive Equity Plan, the 2013 Incentive Equity Plan, Alico's MSP Plan, and any Restricted Stock Award Agreement between Executive and Alico. Nothing contained herein shall be deemed to release any of Executive's rights (i) to indemnification under any indemnification agreement between Executive and Alico or under the articles of incorporation or bylaws of Alico, or under Section 607.0850, Florida Statutes, or any of Executive's rights to advances or reimbursement under any directors' and officers' liability insurance policies maintained by Alico or (ii) under the 2008 Incentive Equity Plan, the 2013 Incentive Equity Plan, Alico's MSP Plan, and any Restricted Stock Award Agreement between Executive and Alico.

2. **Obligations of Executive.** In consideration of Alico's obligations set forth in this Agreement:

(a) Executive waives, and releases Alico, and its directors, officers, employees, representatives, benefit plan administrators, agents and attorneys, both individually and collectively (hereinafter collectively referred to as "the Released Parties"), from, all claims, rights, and causes of action, both known and unknown, in law or in equity, of any kind whatsoever that Executive has or could have maintained against any of the Released Parties arising out of his employment with Alico through the date of signing this Agreement or his separation from employment with Alico, including any claim for attorney's fees. Without limiting the generality of the foregoing, Executive waives, and releases all of the Released Parties from, all claims, rights, and causes of action relating to or arising out of Executive's employment with, conditions of employment with, compensation by, or separation of employment from, Alico, including, without limitation, any claims, rights, charges, or causes of action arising under Title VII of the Civil Rights Act of 1964, as amended; the Civil Rights Acts of 1866 and 1871; the Age Discrimination in Employment Act of 1967, as amended; Executive Order Nos. 11246 and 11478; the Equal Pay Act of 1963, as amended; the Employee Retirement Income Security Act of 1974, as amended; the Rehabilitation Act of 1973, as amended; the Florida Civil Rights Act of 1992; Florida Statutes §§ 440.205 and 448.102; the Americans with Disabilities Act of 1990, as amended; the Family and Medical Leave Act of 1993; the National Labor Relations Act of 1935, as amended; the Fair Labor Standards Act of 1938, as amended; the Occupational Safety and Health Act of 1970, as amended; the Genetic Information Nondiscrimination Act of 2008; and the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, and any other federal or state law or local ordinance, including any suit in tort (including fraud, promissory estoppel and negligence) or contract (whether oral, written or implied), or any other common law or

equitable basis of action, except for any claim which may not lawfully be waived in this manner.

(b) Executive represents that while he/she is not legally barred from filing a charge of discrimination, he/she has not filed, and does not intend to file, any charge of discrimination against any of the Released Parties with any federal, state or local agency and understands that Alico has reasonably relied on his/her representations in this paragraph in agreeing to perform the obligation set forth in Section 1 of this Agreement. Executive further waives any right to recovery based on any charge of discrimination filed by him/her or on his/her behalf.

3. **Non-Admission.** Neither this Agreement, nor anything contained in it, shall be construed as an admission by any of the Released Parties of any liability, wrongdoing or unlawful conduct whatsoever.

4. **Severability.** If a court of competent jurisdiction invalidates any provision of this Agreement, then all of the remaining provisions of this Agreement shall continue unabated and in full force and effect.

5. **Entire Agreement.** This Agreement contains the entire understanding and agreement between the parties regarding the subject matter of this Agreement and shall not be modified or superseded except upon express written consent of the parties to this Agreement. Executive represents and acknowledges that in executing this Agreement, he/she does not rely and has not relied upon any representation or statement made by Alico or its agents, representatives or attorneys which is not set forth in this Agreement.

6. **Governing Law.** The laws of the State of Florida shall govern this Agreement, and any action to enforce this Agreement shall be brought in Lee County, Florida where jurisdiction and venue shall lie.

7. **Opportunity to Consider and Confer.** Executive acknowledges that he/she has had the opportunity to read, study, consider, and deliberate upon this Agreement. He/she further acknowledges and understands that he/she has been given a period of twenty-one (21) days in which he/she may, but is not required to, consider this Agreement, that after he/she signs it, he/she has seven (7) days in which to revoke it. Executive further acknowledges that he/she fully understands and completely agrees with all of the terms of this Agreement and that he/she has been, and hereby is, specifically advised to consult with his/her attorney before executing this Agreement.

8. **Effective Date.** Assuming Executive signs this Agreement and does not revoke it as provided in Section 7 above, this Agreement becomes effective thirty (30) days after the Termination Date as defined in Appendix A to the CIC Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, and intending to be legally bound hereby, Alico and Executive hereby execute this Severance Agreement and Release, consisting of three (3) pages (including this signature page) and including ten (10) enumerated sections, by signing below voluntarily and with full knowledge of the significance of all of its provisions.

PLEASE READ CAREFULLY. THIS RESIGNATION AGREEMENT, WAIVER AND RELEASE INCLUDES A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

Sworn to and subscribed before me
this _____ day of _____, 20__.

Notary Public, State of Florida at Large
My Commission Expires:

Executive

Executed at Ft. Myers, Florida,
this _____ day of _____, 20__.

Sworn to and subscribed before me
this _____ day of _____, 20__.

Notary Public, State of Florida at Large
My Commission Expires:

Alico, Inc.

By _____
Its: _____

Executed at Ft. Myers, Florida,
this _____ day of _____, 20__.

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (“Agreement”) is made as of _____, 2013, by and between **ALICO, INC.**, a Florida corporation (the “Company”), and _____ (“Indemnitee”).

RECITALS

WHEREAS, highly competent persons have become more reluctant to serve publicly-held corporations as officers or directors or in other capacities unless they are provided with adequate protection through insurance and/or adequate indemnification against inordinate risks of claims and actions against them arising out of their service to and activities on behalf of the corporation;

WHEREAS, although Indemnitee may be entitled to indemnification pursuant to the Company’s Articles of Incorporation and Bylaws and the Florida Business Corporation Act (“FBCA”), the FBCA expressly provides that the indemnification provisions set forth therein are not exclusive, and thereby contemplates that contracts may be entered into between the Company and members of the board of directors, officers and other persons with respect to indemnification;

WHEREAS, the Company has determined that the increased difficulty in attracting and retaining such persons is detrimental to the best interests of the Company’s shareholders and that the Company should act to assure such persons that there will be increased certainty of such protection in the future;

WHEREAS, it is reasonable, prudent and necessary for the Company contractually to obligate itself to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified;

WHEREAS, this Agreement is a supplement to and in furtherance of the Articles of Incorporation and the Bylaws of the Company and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder;

WHEREAS, Indemnitee believes that this Agreement is desirable to augment the protection available under the Company’s Articles of Incorporation, the Company’s Bylaws and insurance, and may not be willing to serve as a director or officer without the additional protection provided for under this Agreement, and the Company desires Indemnitee to serve in such capacity and Indemnitee is willing to serve and continue to serve on the condition that he be so indemnified;

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Company and Indemnitee do hereby covenant and agree as follows:

1. **Services to the Company.** Indemnitee will serve or continue to serve, at the will of the Company in accordance with the Company's Bylaws, as a director or officer of the Company for so long as Indemnitee is duly elected or appointed or until Indemnitee tenders his or her resignation.

2. **Definitions.** As used in this Agreement:

(a) A "Change in Control" shall be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following events:

(i) Acquisition of Stock by Third Party. Any Person (as defined below) is or becomes the Beneficial Owner (as defined below), directly or indirectly, of securities of the Company representing fifteen percent (15%) or more of the combined voting power of the Company's then outstanding securities;

(ii) Change in Board of Directors. During any period of two (2) consecutive years (not including any period prior to the execution of this Agreement), individuals who at the beginning of such period constitute the Board of Directors of the Company (the "Board"), and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in Sections 2(a)(i), 2(a)(iii) or 2(a)(iv)) whose election by the Board or nomination for election by the Company's shareholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute a least a majority of the members of the Board;

(iii) Corporate Transactions. The effective date of a merger or consolidation of the Company with any other entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 51% of the combined voting power of the voting securities of the surviving entity outstanding immediately after such merger or consolidation and with the power to elect at least a majority of the board of directors or other governing body of such surviving entity;

(iv) Liquidation. The approval by the shareholders of the Company of a complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets; and

(v) Other Events. There occurs any other event of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or a response to any similar item on any similar schedule or form) promulgated under the Exchange Act (as defined below), whether or not the Company is then subject to such reporting requirement.

For purposes of this Section 2(a), the following terms shall have the following meanings:

- (A) “Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.
- (B) “Person” shall have the meaning as set forth in Sections 13(d) and 14(d) of the Exchange Act; provided, however, that Person shall exclude (i) the Company, (ii) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, and (iii) any corporation owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of stock of the Company.
- (C) “Beneficial Owner” shall have the meaning given to such term in Rule 13d-3 under the Exchange Act; provided, however, that Beneficial Owner shall exclude any Person otherwise becoming a Beneficial Owner by reason of the shareholders of the Company approving a merger of the Company with another entity.

(b) “Corporate Status” describes the status of a person who is or was a director, officer, employee or agent of the Company or of any other corporation, limited liability company, partnership or joint venture, trust, employee benefit plan or other enterprise which such person is or was serving at the request of the Company.

(c) “Disinterested Director” means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(d) “Enterprise” shall mean the Company and any other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise of which Indemnitee is or was serving at the request of the Company as a director, officer, employee, agent or fiduciary.

(e) “Expenses” shall include all reasonable attorneys’ fees and expenses, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, a Proceeding. Expenses also shall include Expenses incurred in connection with any appeal resulting from any Proceeding, including without limitation the premium, security for, and other costs relating to any cost bond, supersedeas bond, or other appeal bond or its equivalent. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(f) Reference to “other enterprise” shall include employee benefit plans; references to “fines” shall include any excise tax assessed with respect to any employee

benefit plan; references to “serving at the request of the Company” shall include any service as a director, officer, employee or agent of the Company which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in manner “not opposed to the best interests of the Company” as referred to in this Agreement.

(g) The term “Proceeding” shall include any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought in the right of the Company or otherwise and whether of a civil, criminal, administrative or investigative nature, in which Indemnitee was, is or will be involved as a party or otherwise by reason of the fact that Indemnitee is or was a director of the Company, by reason of any action taken by him or of any action on his part while acting as director of the Company, or by reason of the fact that he is or was serving at the request of the Company as a director, officer, employee or agent of another corporation, limited liability company, partnership, joint venture, trust or other enterprise, in each case whether or not serving in such capacity at the time any liability or expense is incurred for which indemnification, reimbursement, or advancement of Expenses can be provided under this Agreement; provided that the term Proceeding shall not include any such actions initiated by Indemnitee to enforce his rights under this Agreement; and provided further that, the term Proceeding shall not include any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding by Indemnitee against the Company, including, but not limited to, proceedings initiated by Indemnitee or involving a counterclaim by Indemnitee.

(h) “Independent Counsel” means a law firm, or a member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent: (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning the Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term “Independent Counsel” shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee’s rights under this Agreement. The Company agrees to pay the reasonable fees and expenses of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.

3. **Indemnity in Third-Party Proceedings.** The Company shall indemnify Indemnitee in accordance with the provisions of this Section 3 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 3, Indemnitee

shall be indemnified to the fullest extent permitted by applicable law against all Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by Indemnitee or on his behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company and, in the case of a criminal proceeding, had no reasonable cause to believe that his conduct was unlawful.

4. **Indemnity in Proceedings by or in the Right of the Company.** The Company shall indemnify Indemnitee in accordance with the provisions of this Section 4 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 4, Indemnitee shall be indemnified to the fullest extent permitted by applicable law against all Expenses actually and reasonably incurred by him or on his behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Company. No indemnification for Expenses shall be made under this Section 4 in respect of any claim, issue or matter as to which Indemnitee shall have been finally adjudged by a court to be liable to the Company unless, and only to the extent that, the court in which the Proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification.

5. **Indemnification for Expenses of a Party Who is Wholly or Partly Successful.** Notwithstanding any other provisions of this Agreement, to the fullest extent permitted by applicable law and to the extent that Indemnitee is a party to (or a participant in) and is successful, on the merits or otherwise, in any Proceeding or in defense of any claim, issue or matter therein, in whole or in part, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him in connection therewith. If Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by him or on his behalf in connection with each successfully resolved claim, issue or matter. For purposes of this Section and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

6. **Indemnification For Expenses of a Witness.** Notwithstanding any other provision of this Agreement, to the fullest extent permitted by applicable law and to the extent that Indemnitee is, by reason of his Corporate Status, a witness in any Proceeding to which Indemnitee is not a party, he shall be indemnified against all Expenses actually and reasonably incurred by him or on his behalf in connection therewith.

7. **Additional Indemnification.**

(a) Notwithstanding any limitation in Sections 3, 4, or 5, the Company shall indemnify Indemnitee to the fullest extent permitted by applicable law if Indemnitee is a party to or threatened to be made a party to any Proceeding (including a Proceeding by or in the right of the Company to procure a judgment in its favor) against all Expenses,

judgments, fines and amounts paid in settlement actually and reasonably incurred by Indemnitee in connection with the Proceeding.

(b) For purposes of Sections 7(a) and 9, the meaning of the phrase “to the fullest extent permitted by applicable law” shall include, but not be limited to:

(i) to the fullest extent permitted by the provision of the FBCA that authorizes or contemplates additional indemnification by agreement, or the corresponding provision of any amendment to or replacement of the FBCA, and

(ii) to the fullest extent authorized or permitted by any amendments to or replacements of the FBCA adopted after the date of this Agreement that increase the extent to which a corporation may indemnify its officers and directors.

8. **Exclusions.** Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to make any indemnity in connection with any claim made against Indemnitee:

(a) for which payment has actually been made to or on behalf of Indemnitee under any insurance policy or under another valid and enforceable indemnity provision, except with respect to any excess beyond the amount paid under any insurance policy or other indemnity provision and except for any payments which are required to be disgorged by Indemnitee; or

(b) for (i) an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Exchange Act, or similar provisions of other federal or state statutory law or common law or (ii) any reimbursement of the Company by the Indemnitee of any bonus or other incentive-based or equity-based compensation or of any profits realized by the Indemnitee from the sale of securities of the Company, as required in each case under the Exchange Act (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”), or the payment to the Company of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act); or

(c) in connection with any Proceeding (or any part of any Proceeding) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company’s directors, officers, employees or other indemnitees, unless (i) such indemnification is expressly required to be made by applicable law, (ii) the Board of the Company authorized the Proceeding (or any part of any Proceeding) prior to its initiation or (iii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company to the fullest extent permitted by applicable law.

9. **Advances of Expenses.** Notwithstanding any provision of this Agreement to the contrary, to the fullest extent permitted by applicable law, the Company shall advance the

expenses incurred by Indemnitee in connection with any Proceeding within thirty (30) days after the receipt by the Company of a statement or statements requesting such advances from time to time, whether prior to or after final disposition of any Proceeding. Advances shall be unsecured and interest free. Advances shall be made without regard to Indemnitee's ability to repay the Expenses and without regard to Indemnitee's ultimate entitlement to indemnification under the other provisions of this Agreement. Advances shall include any and all reasonable Expenses incurred pursuing an action to enforce this right of advancement, including Expenses incurred preparing and forwarding statements to the Company to support the advances claimed. The Indemnitee shall qualify for advances solely upon the execution and delivery to the Company of an undertaking providing that the Indemnitee undertakes to repay the advance to the extent that it is ultimately determined that Indemnitee is not entitled to be indemnified by the Company. This Section 9 shall not apply to any claim made by Indemnitee for which indemnity is excluded pursuant to Section 8.

10. Procedure for Notification and Defense of Claim.

(a) Within thirty (30) days after service of process of Indemnitee relating to notice of the commencement of any Proceeding, Indemnitee shall submit to the Company a written request for indemnification, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification. The omission to notify the Company within such thirty (30) day period will not relieve the Company from any liability which it may have to Indemnitee under this Agreement except to the extent the failure of Indemnitee to provide such notice within thirty (30) days after receipt by Indemnitee of notice of the commencement of any Proceeding adversely affects the Company's rights, legal position, ability to defend or ability to obtain insurance coverage with respect to such Proceeding. The omission to notify the Company will not relieve the Company from any liability which it may have to Indemnitee otherwise than under this Agreement. The Secretary of the Company shall, promptly upon receipt of such a request for indemnification, advise the Board in writing that Indemnitee has requested indemnification.

(b) If the Company shall be obligated to pay the Expenses of any Proceeding against the Indemnitee, the Company shall be entitled to assume and control the defense of such Proceeding (with counsel consented to by the Indemnitee, which consent shall not be unreasonably withheld), upon the delivery to the Indemnitee of written notice of its election so to do. After delivery of such notice, consent to such counsel by the Indemnitee and the retention of such counsel by the Company, the Company will not be liable to the Indemnitee under this Agreement for any fees of counsel subsequently incurred by the Indemnitee with respect to the same Proceeding, provided that if (i) the employment of separate counsel by the Indemnitee has been previously authorized by the Company, (ii) the Indemnitee or counsel selected by the Company shall have concluded that there may be a conflict of interest between the Company and the Indemnitee or among Indemnitees jointly represented in the conduct of any such defense or (iii) the Company shall not, in fact, have employed counsel, to which Indemnitee has consented as aforesaid, to assume the defense of such Proceeding, then the reasonable fees and expenses of Indemnitee's counsel shall be at the expense of the Company.

Notwithstanding the foregoing, the Indemnitee shall have the right to employ counsel in any such Proceeding at the Indemnitee's expense.

(c) The Company will be entitled to participate in the Proceeding at its own expense. The Company will not, without prior written consent of the Indemnitee, effect any settlement of a claim against the Indemnitee in any threatened or pending Proceeding unless such settlement solely involves the payment of money and includes an unconditional release of the Indemnitee from all liability on any claims that are or were threatened to be made against the Indemnitee in the Proceeding.

11. Procedure Upon Application for Indemnification.

(a) Upon written request by Indemnitee for indemnification pursuant to the first sentence of Section 10(a), a determination, if required by applicable law, with respect to Indemnitee's entitlement thereto shall be made in accordance with this Section 11(a). Upon written request by Indemnitee for indemnification pursuant to the first sentence of Section 10(a), if a determination is not required by applicable law, the Company shall provide the requested determination in accordance with the terms and conditions of this Agreement. If (i) a Change of Control shall have occurred, or (ii) Indemnitee shall have delivered to the Company a written election to rely on the determination of Independent Counsel, then such determination shall be made by Independent Counsel in a written opinion of the Board and a copy of such written opinion shall be delivered to Indemnitee; provided, however, that, if one or more Persons other than Indemnitee may also be entitled to indemnification from the Company under any other indemnification or similar agreement or other instrument in connection with the Proceeding with respect to which Indemnitee shall have requested indemnification pursuant to Section 10(a), such other Person or at least fifty percent (50%) of such other Persons, as applicable, shall also have elected to rely on the determination of Independent Counsel in accordance with the indemnification or similar agreement or other instrument applicable to each such other Person's indemnification claim or shall otherwise have agreed in writing to be bound by any such determination. In any other case, such determination shall be made (i) by a majority vote of the Disinterested Directors, even though less than a quorum of the Board, (ii) by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors, even though less than a quorum of the Board, (iii) if there are no such Disinterested Directors or, if such Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee or (iv) if so directed by the Board, by the shareholders of the Company. If, in accordance with the foregoing provisions of this Section 11(a), it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten (10) days after such determination. Indemnitee shall cooperate with the person, persons or entity making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any costs or expenses (including attorneys' fees and expenses and disbursements) incurred by Indemnitee in so cooperating with the person, persons or

entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnitee harmless therefrom. As provided in Section 13(a) and 13(b), nothing in this Agreement, including any findings of Independent Counsel made pursuant to this Section 11, shall be deemed to limit or otherwise adversely impact the right of Indemnitee to commence any judicial proceeding or arbitration pursuant to Section 13. Further, any determination made pursuant to this Section 11 shall not bind Indemnitee or prejudice Indemnitee's rights to indemnification as finally determined by a judicial proceeding or arbitration.

(b) In the event the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 11(a) hereof, the Independent Counsel shall be selected as provided in this Section 11(b). If a Change in Control shall not have occurred, the Independent Counsel shall be selected by the Board, and the Company shall give written notice to Indemnitee advising him of the identity of the Independent Counsel so selected. If a Change in Control shall have occurred, the Independent Counsel shall be selected by Indemnitee (unless Indemnitee shall request that such selection be made by the Board, in which event the preceding sentence shall apply), and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either event, Indemnitee or the Company, as the case may be, may, within 10 days after such written notice of selection shall have been given, deliver to the Company or to Indemnitee, as the case may be, a written objection to such selection; provided, however, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 2 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit. If, within 20 days after submission by Indemnitee of a written request for indemnification pursuant to Section 10(a) hereof, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnitee may petition a court of competent jurisdiction for resolution of any objection which shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the Court or by such other person as the Court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 11(a) hereof. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 13(a) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

12. Presumptions and Effect of Certain Proceedings.

(a) In making a determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination shall presume that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has

submitted a request for indemnification in accordance with Section 10(a) of this Agreement, and the Company shall have the burden of proof to overcome that presumption in connection with the making by any person, persons or entity of any determination contrary to that presumption. Neither the failure of the Company (including by its Board or Independent Counsel) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Company (including by its Board or Independent Counsel) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(b) If the person, persons or entity empowered or selected under Section 11 of this Agreement to determine whether Indemnitee is entitled to indemnification shall not have made a determination within sixty (60) days after receipt by the Company of the request therefor, the requisite determination of entitlement to indemnification shall be deemed to have been made and Indemnitee shall be entitled to such indemnification, absent a prohibition of such indemnification under applicable law; provided, however, that such 60-day period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if the person, persons or entity making the determination with respect to entitlement to indemnification in good faith requires such additional time for the obtaining or evaluating of documentation and/or information relating thereto; and provided, further, that the foregoing provisions of this Section 12(b) shall not apply (i) if the determination of entitlement to indemnification is to be made by the shareholders pursuant to Section 11(a) of this Agreement and if (A) within fifteen (15) days after receipt by the Company of the request for such determination the Board has resolved to submit such determination to the shareholders for their consideration at an annual meeting thereof to be held within seventy-five (75) days after such receipt and such determination is made thereat, or (B) a special meeting of shareholders is called within fifteen (15) days after such receipt for the purpose of making such determination, such meeting is held for such purpose within sixty (60) days after having been so called and such determination is made thereat, or (ii) if the determination of entitlement to indemnification is made by Independent Counsel pursuant to Section 11(a) of this Agreement.

(c) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnitee to indemnification or create a presumption that Indemnitee did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his conduct was unlawful.

(d) Reliance as Safe Harbor. For purposes of any determination of good faith, Indemnitee shall be deemed to have acted in good faith if Indemnitee's action is based on the records or books of account of the Enterprise, including financial statements, or on

information supplied to Indemnitee by the officers of the Enterprise in the course of their duties, or on the advice of legal counsel for the Enterprise or on information or records given or reports made to the Enterprise by an independent certified public accountant or by an appraiser or other expert selected with the reasonable care by the Enterprise. The provisions of this Section 12(d) shall not be deemed to be exclusive or to limit in any way the other circumstances in which the Indemnitee may be deemed to have met the applicable standard of conduct set forth in this Agreement.

(e) Actions of Others. The knowledge and/or actions, or failure to act, of any director, officer, agent or employee of the Enterprise shall not be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

13. Remedies of Indemnitee.

(a) In the event that (i) a determination is made pursuant to Section 11 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 9 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 11(a) of this Agreement within 45 days after receipt by the Company of the request for indemnification, (iv) payment of indemnification is not made pursuant to Section 5 or 6 or the last sentence of Section 11(a) of this Agreement within ten (10) days after receipt by the Company of a written request therefor, or (v) payment of indemnification pursuant to Section 3, 4 or 7 of this Agreement is not made within ten (10) days after a determination has been made that Indemnitee is entitled to indemnification, Indemnitee shall be entitled to an adjudication by a court of his entitlement to such indemnification or advancement of Expenses. Alternatively, Indemnitee, at his option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Indemnitee shall commence such proceeding seeking an adjudication or an award in arbitration within 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 13(a) The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration.

(b) In the event that a determination shall have been made pursuant to Section 11(a) of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 13 shall be conducted in all respects as a de novo trial, or arbitration, on the merits and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 13 the Company shall have the burden of proving Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be.

(c) If a determination shall have been made pursuant to Section 11(a) of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 13, absent a prohibition of such indemnification under applicable law.

(d) The Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 13 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement. The Company shall indemnify Indemnitee against any and all Expenses and, if requested by Indemnitee, shall (within ten (10) days after receipt by the Company of a written request therefor) advance, to the extent not prohibited by Section 402 of the Sarbanes-Oxley Act of 2002 or other applicable law, such expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advance of Expenses from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company.

14. Non-exclusivity; Survival of Rights; D&O Insurance; Subrogation.

(a) The rights of indemnification and to receive advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Company's Articles of Incorporation, the Company's Bylaws, any agreement, a vote of shareholders or a resolution of directors, or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in Florida law, whether by statute or judicial decision, permits greater indemnification or advancement of Expenses than would be afforded currently under the Company's Bylaws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) The Company shall maintain directors and officers' liability insurance policy or policies at existing coverage levels for as long as Indemnitee continues to serve as a director or officer of the Company and for a period of six (6) years thereafter. Indemnitee shall be an insured under such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, officer, employee or agent under such policy or policies. The Company shall give prompt notice of the commencement of such proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company and Indemnitee shall mutually cooperate and take all reasonable actions to cause such insurers to pay on behalf of the insureds, all amounts payable as a result of such proceeding in accordance with the terms of all applicable policies.

(c) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee,

who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(d) The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable (or for which advancement is provided hereunder) hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, the Articles of Incorporation, the Bylaws, contract, agreement or otherwise.

(e) The Company's obligation to indemnify or advance Expenses hereunder to Indemnitee who is or was serving at the request of the Company as a director, officer, employee or agent of any other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement of expenses from such other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise.

15. **Duration of Agreement, Successors and Assigns.** This Agreement shall continue until and terminate upon the later of: (a) twenty years after Indemnitee has ceased to occupy any positions or have any relationships described in Section 1 of this Agreement; and (b) the final termination of all actions, suits, proceedings or investigations pending or threatened during such twenty year period to which Indemnitee may be subject by reason of the fact that Indemnitee is or was an officer or director of the Company or is or was serving at the request of the Company as a director, officer, employee agent or fiduciary of any other entity, including, but not limited to, another corporation, partnership, joint venture or trust, or by reason of anything done or not done by Indemnitee in any such capacity. This Agreement shall be binding upon the Company and its successors (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all, substantially all, or a substantial part of the business and/or assets of the Company) and assigns and shall inure to the benefit of and be enforceable by Indemnitee and his personal and legal representatives, heirs, executors, administrators, distributees, legatees and other successors. The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation, or otherwise) to all or substantially all of the business and/or assets of the Company, by written agreement in form and substance satisfactory to Indemnitee and his or her counsel, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place. This Agreement shall continue in effect regardless of whether Indemnitee continues to serve as an officer and/or director of the Company or of any other entity or other Enterprise at the Company's request.

16. **Severability.** If any provision or provisions of this Agreement or any application of any provision hereof shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (b) such provision or provisions shall

be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

17. **Enforcement.**

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve as a director or officer of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director or officer of the Company.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof; provided, however, that this Agreement is a supplement to and in furtherance of the Articles of Incorporation of the Company, the Bylaws of the Company and applicable law, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitee thereunder.

18. **Modification and Waiver.** No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by the parties thereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions of this Agreement nor shall any waiver constitute a continuing waiver.

19. **Notice by Indemnitee.** Indemnitee agrees promptly to notify the Company in writing upon being served with any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification or advancement of Expenses covered hereunder. The failure of Indemnitee to so notify the Company shall not relieve the Company of any obligation which it may have to the Indemnitee under this Agreement or otherwise.

20. **Notices.** Any notices or other communications required or permitted under, or otherwise in connection with this Agreement, shall be in writing and shall be deemed to have been duly given when delivered in person or upon confirmation of receipt when transmitted by facsimile transmission (but only if followed by transmittal by national overnight courier or hand for delivery on the next business day) or on receipt after dispatch by registered or certified mail, postage prepaid, addressed, or on the next business day if transmitted by national overnight courier, in each case as follows: (i) if to the Company, directed to the Chief Executive Officer at its principal place of business; and (ii) if to the Indemnitee, to such address as set forth below his name on the signature page to this Agreement; or such other persons or addresses as shall be furnished in writing by the Indemnitee to the Company.

21. **Contribution.** To the fullest extent permissible by applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding; and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and/or transaction(s).

22. **Applicable Law and Consent to Jurisdiction.** This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Florida, without regard to its conflict of laws rules. Except with respect to any arbitration commenced by Indemnitee pursuant to Section 13 of this Agreement, the Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the appropriate court of the State of Florida (the "Florida Court"), and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Florida Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) waive any objection to the laying of venue of any such action or proceeding in the Florida Court, and (v) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Florida Court has been brought in an improper or inconvenient forum.

23. **Identical Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

24. **Miscellaneous.** Use of the masculine pronoun shall be deemed to include usage of the feminine pronoun where appropriate. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

[remainder of page intentionally left blank; signatures appear on following page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed as of the day and year first above written.

ALICO, INC.

INDEMNITEE

By _____

Name: JD Alexander

Office: President & CEO

Address:

ALICO, INC.
MANAGEMENT SECURITY PLANS(S)
TRUST AGREEMENT

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**ALICO, INC,
MANAGEMENT SECURITY PLAN(S)
TRUST AGREEMENT**

This Trust Agreement (the "Trust Agreement") is made this 24th day of February, 2004 (the "Effective Date"), by and between Alico, Inc., a Florida corporation (the "Company") and SunTrust Bank, (the "Trustee") to evidence the trust (the "Trust") to be established pursuant to the Plan(s), for the benefit of a select group of management or highly compensated employees who contribute materially to the continued growth, development and business success of the Company and those subsidiaries of the Company, if any, that participate in the Plan(s) (collectively, "Subsidiaries," or singularly, "Subsidiary").

**ARTICLE 1
Definitions**

Unless otherwise provided in this Trust Agreement, the capitalized terms in this Trust Agreement shall have the same meaning as under the Plan(s). The following phrases or terms shall have the following indicated meanings, unless otherwise clearly apparent from the context in this Trust Agreement:

- 1.1 "Administrator" shall mean the party responsible for the administration of the Trust, as described more fully in this Trust Agreement. Prior to a Change in Control, Administrator shall mean the Committee. Upon and after a Change in Control, Administrator shall mean the Trustees, unless within 30 days of the Change in Control (i) the Trustee, in its sole and absolute discretion, does not accept such responsibility; or (ii) the appointment of the Trustee is objected to by the individual who, immediately prior to a Change in Control, was the Company's Chief Executive Officer, or if not so identified, the Company's highest ranking officer (the "Ex-CEO"). If the Trustee is not appointed as Administrator pursuant to (i) or (ii) above, the Administrator shall be an independent third party appointed by the Trustee and accepted by the Ex-CEO within 30 days of the time it becomes evident that the Trustee will not be appointed as Administrator. In the event that a party is not appointed as Administrator in accordance with the provisions above, the Administrator shall be the Committee, as constituted prior to a Change in Control:
 - 1.2 "Board" shall mean the board of directors of the Company.
 - 1.3 "Change in Control" shall be deemed to occur if:
 - (a) Any "person" (as that term is used in Section 13 and 14(4)(2) of the Securities Exchange Act of 1934 ("Exchange Act")) becomes the beneficial owner (as that term is used in Section 13(d) of the Exchange Act), directly or indirectly, of fifty percent (50%) or more of the Company's capital stock entitled to vote in the election of directors;
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- (b) During any period of not more than two consecutive years, not including any period prior to the adoption of the Plan(s), individuals who, at the beginning of such period constitute the board of directors of the Company, and any new director (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in clause (a), (c), (d) or (e) of this Section 1.3) whose election by the board of directors or nomination for election by the Company's stockholders was approved by a vote of at least three-fourths (3/4ths) of the directors then still in office, who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof;
 - (c) The shareholders of the Company approve any consolidation or merger of the Company, other than a consolidation or merger of the Company in which the holders of the common stock of the Company immediately prior to the consolidation or merger hold more than fifty percent (50%) of the common stock of the surviving corporation immediately after the consolidation or merger;
 - (d) The shareholders of the Company approve any plan or proposal for the liquidation or dissolution of the Company; or
 - (e) The shareholders of the Company approve the sale or transfer of all or substantially all of the assets of the Company to parties that are not within a "controlled group of corporations" (as defined in Code Section 1563) in which the Company is a member.
- 1.4 "Committee" shall mean a committee consisting of the Board or such committee as the Board shall appoint to make certain trust related decisions described in this Trust Agreement.
- 1.5 "Fund" shall mean the assets held by the Trustee pursuant to the terms of this Trust Agreement and for the purposes of the Plan(s).
- 1.6 "Plan(s)" shall mean (i) the Management Security Plan, effective August 1, 1990; as it may be amended from time to time, and (ii) any successor executive deferral plans or other arrangements, identified in Exhibit A of this Trust Agreement, that are (a) adopted by the Company within 18 months of the Effective Date of this Trust Agreement, and (b) intended to apply to a select group of management or highly compensated employees, which is comparable to the group identified in the plan or arrangement described in (i) above. The addition of any qualifying successor plans or other arrangements in accordance with this Section 1.6, to Exhibit A of this Trust Agreement shall not constitute or be deemed to be an amendment to this Trust Agreement under Section 15.1 below.
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ARTICLE 2

The Trust

- 2.1 The Trust is intended to be a Grantor Trust, of which the Company is the Grantor, within the meaning of subpart E, part I, subchapter J, chapter 1, subtitle A of the Internal Revenue Code of 1986, as amended, and shall be construed accordingly.
 - 2.2 The Trust hereby established shall be irrevocable.
 - 2.3 Until a Change in Control occurs, the Committee shall direct the Trustee as to the administration of this Trust in accordance with this Trust Agreement.
 - 2.4 The Company hereby deposits with the Trust in trust \$100, which shall become the principal of the Trust to be held, administered and disposed of by the Trustee as provided in this Trust Agreement.
 - 2.5 Except as otherwise provided in Section 3.3 and section 6.1, the principal of the Trust, and any earnings thereon, shall be held separate and apart from other funds of the Company and the Subsidiaries and shall be used exclusively for the uses and purposes of Participants and general creditors of the Company and the Subsidiaries as herein set forth. Participants and their Beneficiaries shall have no preferred claim on, or any beneficial ownership interest in, any assets of the Trust. Any rights created under the Plan(s) and this Trust Agreement shall be mere unsecured contractual rights of Participants and their Beneficiaries against the Company and the Subsidiaries. Any assets held by the Trust will be subject to the claims of the Company's and the Subsidiaries' general creditors under federal and state law in the event that the Company or a Subsidiary becomes Insolvent, as defined in Section 4.1 herein.
 - 2.6 In the event that the Company contributes authorized common shares (without par value), or any other equity securities of the Company, to assist a Subsidiary in meeting the Subsidiary's benefit obligations to Participants and their Beneficiaries, the property contributed shall be subject to the claims of the general creditors of the Company and the Subsidiary. Any such property not transferred to the Participants of the Subsidiary's Plan(s), or their Beneficiaries, will revert to the Company upon the termination of this Trust.
 - 2.7 The Company and their Subsidiaries, in their sole discretion, may at any time, or from time to time, make additional deposits of cash or other property in trust to augment the principal to be held, administered and disposed of by the Trustee as provided in this Trust Agreement. Neither the Trustee nor any Participant or Beneficiary shall have any right to compel additional deposits, The Trustee shall have no duty to collect or enforce payment to it of any contributions or to require that any contributions be made, and shall have no duty to compute any amount to be paid to it nor to determine whether amounts paid comply with the terms of the Plan(s).
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2.8 Notwithstanding any other provision of this Trust Agreement, upon a Change in Control, the Company and the Subsidiaries shall, as soon as possible, but in no event more than thirty (30) days following the effective date of a Change in Control, as defined herein, make an irrevocable contribution to the Trust in an amount that is sufficient to fund the Trust at a level not less than 100% of the amount necessary to pay each Participant or Beneficiary the benefits to which Participants or their Beneficiaries would be entitled pursuant to the terms of the Plan(s) as of the effective date of the Change in Control. At least annually after the occurrence of a Change in Control, the Company and the Subsidiaries shall make an irrevocable contribution to the Trust in an amount that is sufficient to fund the Trust to pay any remaining benefits to the Participants or Beneficiaries. For purposes of calculating the amount of such deposit required either upon a Change in Control or annually, the Administrator shall determine, in its sole discretion, the amount of *the current and projected benefit obligations and the current and projected administrative expenses* and shall determine the sufficiency of the value of the existing assets of the Fund.

ARTICLE 3
Distributions

- 3.1 The discretionary power to interpret the Plan(s), including, but not limited to, the ability to make benefit entitlement determinations, shall be exercised by the *Administrator*. Any claim for benefits under the Plan(s) shall be considered and reviewed under the procedures set forth in the Plan(s).
- 3.2 Concurrent with the establishment of this Trust, the Company shall deliver to the Trustee a schedule (the "Schedule") that indicates the amounts currently payable in respect of each Participant (and his or her Beneficiaries) on a Plan by Plan basis, specifies the form in which such amount is to be paid (as provided for or available under the applicable Plans), and the time of commencement for payment of such amounts if known. The Schedule shall be updated annually by the Company or its designee; provided, however upon a Change in Control and from time to time as is necessary thereafter, *the Administrator shall have, full authority and responsibility to deliver a Schedule to the Trustee*. The Trustee shall make payments to the Participants and their Beneficiaries in accordance with the Schedule. The Trustee, at the direction of the Committee or, after a Change in Control, on its own volition, may make any distribution required to be made by it hereunder by delivering:
- (a) Its check payable to the person to whom such distribution is to be made, to the person, or, if prior to a Change in Control, to the Company for redelivery to such person; provided that before a Change in Control, the Committee may direct the Trustee to deliver one or more lump sum checks payable to the Company, and the Company shall prepare and deliver individual checks for each Participant or Beneficiary; or
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- (b) Its check payable to an insurer for the benefit of such person, to the insurer, or, if prior to a Change in Control, to the Company for redelivery to the insurer; or
 - (c) Contracts held on the life of the Participant to whom or with respect to whom the distribution is being made, to the Participant or Beneficiary, or, if prior to a Change in Control, to the Company for redelivery to the person to whom such distribution is to be made; or
 - (d) If a distribution is being made, in whole or in part, of other assets, assignments or other appropriate documents or certificates necessary to effect a transfer of title, to the Participant or Beneficiary, or, if prior to a Change in Control, to the Company for redelivery to such person.
- 3.3 The Company and the Subsidiaries may make payment of benefits directly to Participants or their Beneficiaries as they become due under the terms of the Plan(s). The Company and the Subsidiaries shall notify the Trustee of their decision to make payment of benefits directly prior to the time amounts are payable to Participants or their Beneficiaries. In the event the Company and the Subsidiaries provide such notification to the Trustee in writing at least seven (7) days prior to date on which the Company and Subsidiaries make payment of benefits directly to Participants or their Beneficiaries, the Company and Subsidiaries may also request, in such written notification; a concurrent reimbursement from the Fund equal to the amount paid directly to the Participant or Beneficiaries. Upon the Trustee's approval of such written notification, the Trustee shall make a reimbursement payment to the Company and/or Subsidiaries. In addition, if the principal of the Trust, and any earnings thereon, are not sufficient to make payments of benefits in accordance with the terms of the Plan(s), the Company and the Subsidiaries shall pay the balance of each such payment as it falls due in accordance with the Plan(s). The Trustee shall notify the Company and the Subsidiaries if principal and earnings are not sufficient to make benefit payments. Nothing in this Agreement shall relieve the Company or the Subsidiaries of their liabilities to pay benefits due under the Plan(s) or fees and expenses of the Trust, except to the extent such liabilities are met by application of assets of the Trust.
- 3.4 If, for any reason, all or any portion of a Participant's or a Beneficiary's benefit under a Plan becomes taxable to the Participant or Beneficiary prior to receipt, the Participant or Beneficiary may petition the Committee before a Change in Control, or may petition the Administrator upon and after a Change in Control, for a distribution of that portion of his or her benefit that has become taxable. Upon the grant of such petition, which grant shall not be unreasonably withheld, an amount equal to the taxable portion of his or her benefit (which amount shall not exceed a Participant's or Beneficiary's unpaid vested benefit under the Plan(s)) shall be distributed by the Trustee. If the petition is granted, the tax liability distribution shall be made as of the first business day of the month that begins at least thirty (30) days after the date when the Participant's or Beneficiary's petition is granted. Such a distribution shall reduce, dollar for dollar, the Participant's or Beneficiary's benefits otherwise due under the Plan(s).
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- 3.5 Except following a Change in Control, the Trustee shall withhold payments pursuant to a Plan if the Company or a Subsidiary instructs the Trustee to withhold such payments until the Company or Subsidiary determines the proper Beneficiary to receive such payments.

ARTICLE 4

Trustee Responsibility Regarding Payments to the Trust Beneficiary When the Company is Insolvent

- 4.1 The Trustee shall cease payment of benefits to Participants and their Beneficiaries if the Company or Subsidiary is insolvent. The Company or Subsidiary shall be considered "Insolvent" for purposes of this Trust Agreement if (i) the Company or Subsidiary is unable to pay its debts as they become due, or (ii) the Company or Subsidiary is subject to a pending proceeding as a debtor under the United States Bankruptcy Code.
- 4.2 At all times during the continuance of this Trust, the principal and income of the Trust shall be subject to claims of general creditors of the Company and the Subsidiaries under federal and state law as set forth below.
- (a) The Board and the Chief Executive Officer of the Company shall have the duty to inform the Trustee in writing that the Company or the Subsidiary is Insolvent. If a person claiming to be a creditor of the Company or the Subsidiary alleges in writing to the Trustee that the Company or Subsidiary has become Insolvent, the Trustee shall determine whether the Company or Subsidiary is Insolvent and, pending such determination, the Trustee shall discontinue payment of benefits to Participants or their Beneficiaries.
- (b) Unless the Trustee has actual knowledge that the Company or Subsidiary is Insolvent, or has received notice from the Company or Subsidiary or a person claiming to be a creditor alleging that the Company or Subsidiary is Insolvent, the Trustee shall have no duty to inquire whether the Company or Subsidiary is Insolvent. The Trustee may in all events rely on such evidence concerning the Company's or Subsidiary's solvency as may be furnished to the Trustee and that provides the Trustee with a reasonable basis for making a determination concerning the Company's or Subsidiary's solvency. In this regard, the Trustee may rely upon a letter from the Company's or Subsidiary's auditors as to the Company's or Subsidiary's financial status.
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- (c) If at any time the Trustee has determined that the Company or Subsidiary is Insolvent the Trustee shall discontinue payments to Participants or their Beneficiaries and shall hold the assets of the Trust for the benefit of the Company's or Subsidiary's general creditors. Nothing in this Trust Agreement shall in any way diminish any rights of Participants or their Beneficiaries to pursue their rights as general creditors of the Company or Subsidiary with respect to benefits due under the Plan(s) or otherwise.
 - (d) The Trustee shall resume the payment of benefits to Participants or their Beneficiaries in accordance with Article 3 of this Trust Agreement only after the Trustee has determined that the Company or Subsidiary is not Insolvent (or is no longer Insolvent).
- 4.3 Provided that there are sufficient assets, if the Trustee discontinues the payment of benefits from the Trust pursuant to Section 4.2 hereof and subsequently resumes such payments, the first payment following such discontinuance shall include the aggregate amount of all payments due to Participants or their Beneficiaries under the terms of the Plan(s) for the period of such discontinuance, plus earnings (if any) on amounts not paid during the period of such discontinuance, less the aggregate amount of any payments made to Participants or their Beneficiaries by the Company or any Subsidiary in lieu of the payments provided for hereunder during any such period of discontinuance. In accordance with the terms and provisions of the Plan(s), prior to a Change in Control, the Committee shall instruct the Trustee as to such amounts, and after a Change in Control, the Administrator shall determine such amounts.

ARTICLE 5

Payments When a Shortfall of the Trust Assets Occurs

- 5.1 Upon and after a Change in Control, if there are not sufficient assets for the payment of benefits pursuant to Article 2 or Section 4.3 hereof and the Company or a Subsidiary does not otherwise make such payments within a reasonable time after demand from the Administrator, the Trustee shall make payment of benefits from the Trust to the Participants or their Beneficiaries in the same percentage in which all future benefits under the Trust are currently funded at the time of the payment.
 - 5.2 Upon receipt of a contribution from the Company or a Subsidiary necessary to make up for a shortfall in the payments due, the Trustee shall resume payments to all the Participants and Beneficiaries under the Plan(s).
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ARTICLE 6

Payments to the Company

- 6.1 In the event that the Committee, prior to a Change in Control, or the Administrator, after a Change in Control, determines that the Fund exceeds 125% of *the current and projected benefit obligations and the current and projected administrative expenses* that are to be paid under the Plan(s), the Trustee, at the direction of the Committee, prior to a Change in Control, or the Administrator, after a Change in Control, shall distribute to the Company and the Subsidiaries such excess portion of the Fund.

ARTICLE 7

Investment Authority

- 7.1 The Trustee shall not be liable in discharging its duties hereunder, including without limitation its duty to invest and reinvest the assets of the Trust, if it acts for the exclusive benefit of the Participants and their Beneficiaries, in good faith and as a prudent person familiar with such matters would act in accomplishing a similar task and in accordance with the terms of this Trust Agreement and any applicable federal or state laws, rules or regulations.
- 7.2 Subject to investment guidelines agreed to in writing from time to time by the Committee and the Trustee prior to a Change in Control, the Trustee shall have the power in investing and reinvesting the Fund in its sole discretion:
- (a) To invest and reinvest in any readily marketable common and preferred stocks, bonds, notes, debentures (including convertible stocks and securities but not including any stock or security of the Trustee other than a de minimis amount held in a mutual fund), certificates of deposit or demand or time deposits (including any such deposits with the Trustee) and shares of investment companies and Mutual Funds, without being limited to the classes or property in which the Trustees are authorized to invest by any law or any rule of court of any state and without regard to the proportion any such property may bear to the entire amount of the Fund. Without limitation, the Trustee may invest the Trust in any investment company or, any insurance contract or contracts issued by an insurance company or companies in each case as the Trustee may determine provided that the Trustee may in its sole discretion keep such portion of the Trust in cash or cash balances for such reasonable periods as may from time to time be deemed advisable pending investment or in order to meet contemplated payments of benefits. The Trustee may invest in securities (including stock or rights to acquire stock) or obligations issued by the Company or any Subsidiary. All rights associated with assets of the Trust shall be exercised by the Trustee or the person designated by the Trustee, and shall in no event be exercisable by or rest with Participants or Beneficiaries;
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- (b) To commingle for investment purposes, upon direction of the Company, all or any portion of the Fund with assets of any other similar trust or trusts established by the Company with the Trustee for the purpose of safeguarding deferred compensation or retirement income benefits of its employees and/or directors;
 - (c) To retain any property at any time received by the Trustee;
 - (d) To sell or exchange any property held by it at public or private sale, for cash or on credit, to grant and exercise options for the purchase or exchange thereof, to exercise all conversion or subscription rights pertaining to any such property and to enter into any covenant or agreement to purchase any property in the future;
 - (e) To participate in any plan of reorganization, consolidation, merger, combination, liquidation or other similar plan relating to property held by it and to consent to or oppose any such plan or any action thereunder or any contract, lease, mortgage, purchase, sale or other action by any person;
 - (f) To deposit any property held by it with any protective, reorganization or similar committee, to delegate discretionary power thereto, and to pay part of the expenses and compensation thereof any assessments levied with respect to any such property deposited;
 - (g) To extend the time of payment of any obligation held by it;
 - (h) To hold uninvested any moneys received by it, without liability for interest thereon, but only in anticipation of payments due for investments, reinvestments, expenses or disbursements;
 - (i) To exercise all voting or other rights with respect to any property held by it and to grant proxies, discretionary or otherwise;
 - (j) For the purposes of the Trust, to borrow money from others, to issue its promissory note or notes therefor, and to secure the repayment thereof by pledging any property held by it;
 - (k) To employ suitable contractors and counsel, who may be counsel to the Company or a Subsidiary or to the Trustee, and to pay their reasonable expenses and compensation from the Fund to the extent not paid by the Company or Subsidiary;
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- (l) To register investments in its own name or in the name of a nominee; to hold any investment in bearer form; and to combine certificates representing securities with certificates of the same issue held by it in other fiduciary capacities or to deposit or to arrange for the deposit of such securities with any depository, even though, when so deposited, such securities may be held in the name of the nominee of such depository with other securities deposited therewith by other persons, or to deposit or to arrange for the deposit of any securities issued or guaranteed by the United States government, or any agency or instrumentality thereof, including securities evidenced by book entries rather than by certificates, with the United States Department of the Treasury or a Federal Reserve Bank, even though when so deposited, such securities may not be held separate from securities deposited therein by other persons; provided, however, that no securities held in the Fund shall be deposited with the United States Department of the Treasury or a Federal Reserve Bank or other depository in the same account as any individual property of the Trustee, and provided, further, that the books and records of the Trustee shall at all times show that all such securities are part of the Fund;
- (m) To settle, compromise or submit to arbitration any claims, debts or damages due or owing to or from the Trust, respectively, to commence or defend suits or legal proceedings to protect any interest of the Trust, and to represent the Trust in all suits or legal proceedings in any court or before any other body or tribunal; provided, however, that the Trustee shall not be required to take any such action unless it shall have been indemnified by the Company to its reasonable satisfaction against liability or expenses it might incur therefrom;
- (n) Subject to Article 8, to hold and retain policies of life insurance, annuity contracts, and other property of any kind which policies are contributed to the Trust by the Company or any Subsidiary or are purchased by the Trustee;
- (o) To hold any other class of assets which may be contributed by the Company or any Subsidiary and that is deemed reasonable by the Trustee, unless expressly prohibited herein;
- (p) Generally, to do all acts, whether or not expressly authorized, that the Trustee may deem necessary or desirable for the protection of the Fund.

7.3 Prior to a Change in Control, the Committee shall have the right to direct the Trustee with respect to investments. After a Change in Control, the Administrator shall have the right to direct the Trustee with respect to investments.

- 7.4 Absent direction from the Committee or the Administrator as described Section 7.3, the Trustee shall direct the management of the Trust assets and shall have all the powers set forth under Section 7.2. In investing the Trust assets, the Trustee shall consider:
- (i) the needs of the Plan(s);
 - (ii) the need for matching of the Trust assets with the liabilities of the Plan(s); and
 - (iii) the duty of the Trustee to act solely in the best interests of the Participants and their Beneficiaries.
- 7.5 The Company and/or any Subsidiary shall have the right at any time, and from time to time in its sole discretion, to substitute assets (other than securities issued by the Trustee or the Company or the Subsidiary) of equal fair market value for any asset held by the Trust. This right is exercisable by the Company and/or any Subsidiary in a nonfiduciary capacity without the approval or consent of any person in a fiduciary capacity. Following a Change in Control, such substitution of assets is subject to the acceptance of the Trustee.

ARTICLE 8
Insurance Contracts

- 8.1 To the extent that the Trustee is directed by the Company prior to a Change in Control, or by the Administrator after a Change in Control, to invest part or all of the Fund in insurance contracts, the type and amount thereof shall be specified by the Committee or the Administrator, as appropriate. The Trustee shall be under no duty to make inquiry as to the propriety of the type or amount so specified.
- 8.2 Each insurance contract issued shall provide that the Trustee shall be the owner thereof with the power to exercise all rights, privileges, options and elections granted by or permitted under such contract or under the rules of the insurer. The exercise by the Trustee of any incidents of ownership under any contract shall, prior to a Change in Control, be subject to the direction of the Committee, and after a Change in Control, be subject to the direction of the Administrator.
- 8.3 The Trustee shall have no power to name a beneficiary of the policy other than the Trust, to assign the policy (as distinct from conversion of the policy to a different form) other than to a successor Trustee, or to loan to any person the proceeds of any borrowing against an insurance policy held in the Trust. Despite the foregoing, the Trustee may (i) loan to the Company or any Subsidiary the proceeds of any borrowing against an insurance policy held in Trust or (ii) assign all, or any portion, of a policy to the Company or any Subsidiary if under other provisions of this Trust Agreement the Company or any Subsidiary is entitled to receive assets from the Trust.
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8.4 No insurer shall be deemed to be a party to the Trust and an insurer's obligations shall be measured and determined solely by the terms of contracts and other agreements executed by the insurer.

ARTICLE 9

Accumulation of Income

9.1 All income received by the Trust, net of expenses and taxes, shall be accumulated and reinvested within the Trust.

ARTICLE 10

Accounting by the Trustee

10.1 The Trustee shall keep accurate and detailed records of all investments, receipts, disbursements, and all other transactions required to be made, including such specific records as shall be agreed upon in writing between the Committee and the Trustee. Within sixty (60) days following the close of each calendar year and within sixty (60) days after the removal or resignation of the Trustee, the Trustee shall deliver to the Company and Subsidiaries a written account of its administration of the Trust during such year or during the period from the close of the last preceding year to the date of such removal or resignation setting forth all investments, receipts, disbursements and other transactions effected by it, including a description of all securities and investments purchased and sold with the cost or net proceeds of such purchases or sales (accrued interest paid or receivable being shown separately), and showing all cash, securities and other property held in the Trust at the end of such year or as of the date of such removal or resignation, as the case may be.

10.2 The Committee may approve the written account described in the preceding paragraph by a written instrument delivered to the Trustee. In the absence of the Committee's filing with the Trustee of objections to any such account within ninety (90) days after its receipt, the Committee shall be deemed to have so approved such account. In such case, or upon the written approval by the Committee of any such account, the Trustee shall, to the extent permitted by law, be discharged from all liability to the Company and Subsidiaries for its acts or failures to act described by such account. The foregoing, however, shall not preclude the Trustee from having its accounting settled by a court of competent jurisdiction. The Trustee shall be entitled to hold and to commingle the assets of the Trust in one fund for investment purposes but at the direction of the Committee prior to a Change in Control, or at the direction of the Administrator after a Change in Control, the Trustee shall create one or more sub-accounts.

ARTICLE 11
Responsibility of the Trustee

- 11.1 The Trustee shall act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims, provided, however, that the Trustee shall incur no liability to any person for any action taken pursuant to a direction, request or approval that is contemplated by, and in conformity with, the terms of a Plan or this Trust and is given in writing by the Committee, or the Administrator, as required pursuant to this Agreement. In the event of a dispute between the Company or Subsidiary and a party, the Trustee may apply to a court of competent jurisdiction to resolve the dispute.
 - 11.2 The Company and Subsidiaries hereby indemnify the Trustee against losses, liabilities, claims, costs and expenses in connection with the administration of the Trust, unless resulting from the negligence or willful misconduct of Trustee. If the Trustee undertakes or defends any litigation arising in connection with this Trust or to protect a Participant's or Beneficiary's rights under a Plan, the Company and Subsidiaries agree to indemnify the Trustee against the Trustee's costs, reasonable expenses and liabilities (including, without limitation, attorneys' fees and expenses) relating thereto and to be primarily liable for such payments. The indemnity described in this Section 11.2 shall be provided by the Company and the Subsidiaries.
 - 11.3 The Trustee shall indemnify and hold harmless the Company and the Subsidiaries for any damages or costs (including attorneys' fees) that may be incurred in the event that the Trustee fails to timely perform its duties as required by this Trust Agreement.
 - 11.4 Prior to a Change in Control, the Trustee may consult with legal counsel (who may also be counsel for the Company generally) with respect to any of its duties or obligations hereunder. Following a Change in Control, the Trustee may select independent legal counsel and may consult with counsel or other experts with respect to its duties and with respect to the rights of Participants or their Beneficiaries under the Plan(s).
 - 11.5 The Trustee may hire agents, accountants, actuaries, investment advisors, financial consultants or other professionals to assist it in performing any of its duties or obligations hereunder and may rely on any determinations made by such agents and information provided to it by the Company and Subsidiaries.
 - 11.6 The Trustee shall have, without exclusion, all powers conferred on the Trustee by applicable law, unless expressly provided otherwise herein.
 - 11.7 Notwithstanding any powers granted to the Trustee pursuant to this Trust Agreement or to applicable law, the Trustee shall not have any power that could give this Trust the objective of carrying on a business and dividing the gains therefrom, within the meaning of section 301.7701-2 of the Procedure and Administrative Regulations promulgated pursuant to the Internal Revenue Code.
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ARTICLE 12

Compensation and Expenses of the Trustee

12.1 The Trustee shall be entitled to reasonable compensation for its services as from time to time agreed upon in writing by the Company and the Trustee. Following a Change in Control, if the Trustee and the Company fail to agree upon reasonable compensation, the Trustee shall be entitled to compensation at a rate equal to the rate charged by the Trustee for similar services rendered by it during the current fiscal year for other trusts similar to this Trust. The Trustee shall be entitled to reimbursement for expenses incurred by it in the performance of its duties as Trustee, including reasonable fees for legal counsel. The Trustee's compensation and expenses shall be paid by the Company and Subsidiaries. If not so paid, the fees and expenses shall be paid from the Trust.

ARTICLE 13

Resignation and Removal of the Trustee

13.3 Prior to a Change in Control, the Trustee may resign at any time by written notice to the Company, which shall be effective sixty (60) days after receipt of such notice unless the Company and the Trustee agree otherwise. Following a Change in Control, the Trustee may resign only after the appointment of a successor Trustee.

13.2 The Trustee may be removed by the Company on sixty days (60) days notice or upon shorter notice accepted by the Trustee.

13.3 If the Trustee resigns or is removed, and a successor Trustee is not appointed within a reasonable period of time following such resignation or removal, the Trustee shall apply, at the expense of the Company, to a court of competent jurisdiction for the appointment of a successor Trustee or for instructions. All expenses of the Trustee in connection with the proceeding shall be allowed as administrative expenses of the Trust.

13.4 Upon resignation or removal of the Trustee and appointment of a successor Trustee, all assets shall subsequently be transferred to the successor Trustee. The transfer shall be completed within sixty (60) days after receipt of acceptance of an appointment as trustee by a successor trustee, unless the Company extends the time limit.

ARTICLE 14

Appointment of Successor

14.1 If the Trustee resigns or is removed in accordance with Section 13.1 or 13.2 hereof, the Administrator may appoint, subject to Section 13.3 hereof, a successor trustee in accordance with this Section 14.1. The successor shall be a bank, trust company or similar independent third party that is granted corporate trustee powers under state or federal law. The successor Trustee shall have all of the rights and powers of the former Trustee, including ownership rights in the Trust. The former Trustee shall execute any instrument necessary or reasonably requested by the Company or the successor Trustee to evidence the transfer.

14.2 The successor Trustee need not examine the records and acts of any prior Trustee and may retain or dispose of existing Trust assets, subject to Articles 9 and 10 hereof. The successor Trustee shall not be responsible for, and the Company and the Subsidiaries shall indemnify and defend the successor Trustee from, any claim or liability resulting from any action or inaction of any prior Trustee or from any other past event, or any condition existing at the time it becomes successor Trustee.

ARTICLE 15
Amendment or Termination

15.1 Subject to the limitations set forth in this Section 15.1, this Trust Agreement may be amended by a written instrument executed by the Trustee and the Company. Notwithstanding the foregoing, no such amendment shall conflict with the terms of the Plan(s) or shall make the Trust revocable. Any amendment, change or modification to this Trust Agreement shall be subject to the following rules:

- (a) General Rule. Subject to Sections 15.1(b), (c) and (d) below, this Trust Agreement may be amended:
 - (i) By the Company and the Trustee, provided, however, that if an amendment would in any way reduce the value of the Participants' benefits under the Plans, a majority of the Participants and Beneficiaries whose benefits would be reduced must consent to the amendment before this Trust Agreement may be so amended; and
 - (ii) By the Company and the Trustee as may be necessary to comply with laws which would otherwise render the Trust void, voidable or invalid in whole or in part.
 - (b) Limitation. Notwithstanding that an amendment may be permissible under Section 15.1(a) above, this Trust Agreement shall not be amended by an amendment that would:
 - (i) Cause any of the assets of the Trust to be used for or diverted to purposes other than for the exclusive benefit of Participants and Beneficiaries as set forth in the Plan(s), or payment of expenses of the Trust, except as is required to satisfy the claims of the Company's or a Subsidiary's general creditors or as provided in Section 3.3 and Section 6.1; or
 - (ii) Be inconsistent with the terms of any Plan, including the terms of any Plan regarding termination, amendment or modification of the Plan(s); or
 - (iii) Change the definition of Administrator or terminate the Administrator.
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- (c) Writing and Consent. Any amendment to this Trust Agreement shall be set forth in writing and signed by the Company and the Trustee and, if consent of any Participant or Beneficiary is required under Section 15.1(a)(i), the Participant or Beneficiary whose consent is required. Any amendment may be current, retroactive or prospective, in each case as provided therein.
 - (d) The Company and Trustee. In connection with the exercise of the rights under this Section 15.1:
 - (i) prior to a Change in Control, the Trustee shall be responsible for determining whether any proposed amendment complies with the terms and conditions set forth in Sections 15.1(a) and 15.1(b) above and may conclusively rely on the directions of the Administrator with respect thereto, unless the Trustee has knowledge of a proposed transaction or transactions that would result in a Change in Control; and
 - (ii) after a Change in Control, the power of the Company to amend this Trust Agreement shall cease, and the power to amend that was previously held by the Company shall, instead, be exercised by a majority of the Participants and, if a Participant is dead, his or her Beneficiaries (who collectively shall have one vote among them and shall vote in place of such deceased Participant), with the consent of the Administrator, provided that such amendment otherwise complies with the requirements of Sections 15.1(a), (b) and (c) above.
 - (e) Taxation. This Trust Agreement shall not be amended, altered, changed or modified in a manner that would cause the Participants and/or Beneficiaries under any Plan to be taxed on the benefits under any Plan in a year other than the year of actual receipt of benefits.
 - (f) Addition of Successor Plan not an Amendment. Notwithstanding the foregoing, the addition of any successor plans or other arrangements in accordance with Section 1.6, to Exhibit A of the Trust Agreement, shall not constitute or be deemed to be an amendment to this Trust Agreement.
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15.2 The Trust shall not terminate until the date on which Participants and their Beneficiaries are no longer entitled to benefits pursuant to the terms of the Plan(s) and all of the expenses of the Trust have been paid, and on such date the Trust shall terminate. Upon termination of the Trust, any assets remaining in the Trust shall be returned to the Company and the Subsidiaries; provided, however, any Company common stock remaining in the Trust shall be returned directly to the Company. Such remaining assets shall be paid by the Trustee to the Company and the Subsidiaries in such amounts and in the manner instructed by the Company, whereupon the Trustee shall be released and discharged from all obligations hereunder. From and after the date of termination and until final distribution of the Fund, the Trustee shall continue to have all of the powers provided herein as are necessary or expedient for the orderly liquidation and distribution of the Fund.

ARTICLE 16
Change in Control

16.1 The Administrator shall have the specific authority to determine whether a Change in Control has occurred and shall be required to give the Trustee notice of a Change in Control. The Trustee shall be entitled to rely upon such notice. If the Trustee receives notice of a Change in Control from another source or if a Participant or a Beneficiary requests a determination as to whether a Change in Control has occurred, the Trustee shall make its own independent determination as to whether a Change in Control has occurred.

ARTICLE 17
Miscellaneous

17.1 The Company and the Subsidiaries shall from time to time pay taxes of any and all kinds whatsoever that at any time are lawfully levied or assessed upon or become payable in respect of the Fund, the income or any property forming a part thereof, or any security transaction pertaining thereto. To the extent that any taxes lawfully levied or assessed upon the Fund are not paid by the Company and the Subsidiaries, the Trustee shall have the power to pay such taxes out of the Fund and shall seek reimbursement from the Company and the Subsidiaries. Prior to making any payment, the Trustee may require such releases or other documents from any lawful taxing authority as it shall deem necessary. The Trustee shall contest the validity of taxes in any manner deemed appropriate by the Company or its counsel, but at the Company's and the Subsidiaries' expense, and only if it has received an indemnity bond or other security satisfactory to it to pay any such expenses. Prior to a Change in Control, the Trustee (i) shall not be liable for any nonpayment of tax when it distributes an interest hereunder on directions from the Committee, and (ii) shall have no obligation to prepare or file any tax return on behalf of the Fund, any such return being the sole responsibility of the Committee. The Trustee shall cooperate with the Committee in connection with the preparation and filing of any such return. After a Change in Control, the Trustee shall have such duties and obligations.

- 17.2 All persons dealing with the Trustee are released from inquiring into the decisions or authority of the Trustee and from seeing to the application of any moneys, securities or other property paid or delivered to the Trustee.
- 17.3 This Trust Agreement shall be binding upon and inure to the benefit of the Company, the Subsidiaries and the Trustee and their respective successors and assigns.
- 17.4 The Company and the Subsidiaries are the true beneficiaries hereunder in that the payment of benefits, directly or indirectly to or for a Participant or Beneficiary by the Trustee, is in satisfaction of the Company's and the Subsidiaries liability therefore under the Plan(s). Nothing in this Trust Agreement shall establish any beneficial interest in any person other than the Company and the Subsidiaries.
- 17.5 This Trust, the Plan(s) and each Participant's Plan Agreement are part of and constitute a single, integrated employee benefit plan and trust, shall be construed together as the entire agreement between the Company, the Trustee, the Participants and the Beneficiaries with regard to the subject matter thereof, and shall supersede all previous negotiations, agreements and commitments with respect thereto.
- 17.6 Any provision of this Trust Agreement prohibited by law shall be ineffective to the extent of any such prohibition, without invalidating the remaining provisions hereof.
- 17.7 The Company hereby represents and warrants that each of the Plan(s) has been established, maintained and administered in material compliance with all applicable laws. The Company hereby indemnifies and agrees to hold the Trustee harmless from all liabilities, including attorney's fees, relating to or arising out of the establishment, maintenance and administration of the Plan(s). To the extent the Company does not pay any of such liabilities in a reasonably timely manner, the Trustee may obtain payment from the Trust.
- 17.8 Benefits payable to participants and their Beneficiaries under this Trust Agreement may not be anticipated, assigned (either at law or in equity), alienated, pledged, encumbered or subjected to attachment, garnishment, levy, execution or other legal or equitable process.
- 17.9 Except to the extent, if any, preempted by ERISA, this Trust Agreement shall be governed by and construed in accordance with the internal laws of the State of Florida without reference to any conflicts of laws principals. Any provision of this Trust Agreement prohibited by law shall be ineffective to the extent of any such prohibition, without invalidating the remaining provisions hereof.
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IN WITNESS WHEREOF, this Trust Agreement has been executed on behalf of the parties hereto and is effective as of the Effective Date.

TRUSTEE: SUNTRUST BANK

BY: /s/ David Sharpe

DAVID SHARPE, SENIOR VICE PRESIDENT, TRUST
ADMINISTRATOR

THE COMPANY: ALICO, INC., a Florida Corporation

BY: /s/ Ben Hill Griffin, III

BEN HILL GRIFFIN, III, CHAIRMAN OF THE BOARD
AND CEO

TRUSTEE:

EXHIBIT A

PLANS COVERED BY THE TRUST

1. Management Security Plan, effective August 1, 1990, as it may be amended from time to time
-

AMENDMENT 1 TO ALICO, INC. MANAGEMENT SECURITY PLAN(S) TRUST AGREEMENT DATED FEBRUARY 24, 2004

This Amendment to Trust Agreement is made this 10th day of January, 2006, by and between Alico, Inc., Florida corporation (the "Company") and SunTrust Bank (the "Trustee").

WITNESSETH:

WHEREAS, the Company desires to amend the Trust Agreement in accordance with the powers granted by the provisions of Section 15.1(a)(i) of the Trust in order to change the percentage threshold in the definition of Change of Control from fifty percent (50%) to sixty percent (60%); and

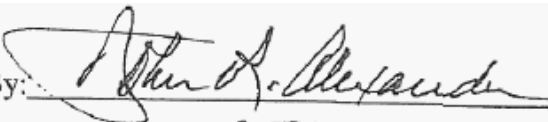
WHEREAS, the Amendment will not reduce the value of the participants' benefits under the Plan.

NOW, THEREFORE, the parties hereto agree as follows:

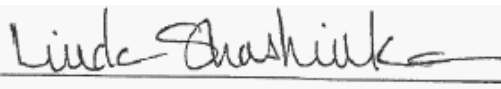
1. Section 1.3(a) of Article 1 of the Trust relating to the definition of a "Change of Control" is hereby amended by changing the reference to "fifty percent (50%)" contained therein to "sixty percent (60%)".
2. Except as set forth above, all provisions of the Trust Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment to Trust Agreement the day and year first above written.

ALICO, INC.

By: 
Its: CEO

SUNTRUST BANK

By: 
Its: VP

Real Estate Term Loan: 10053500
Real Estate Line of Credit: 10053600
/jlm

FOURTH AMENDMENT TO CREDIT AGREEMENT

This FOURTH Amendment to Credit Agreement ("Amendment") is entered into and is dated and made effective as of April 1, 2013 between ALICO, INC., a Florida corporation; ALICO-AGRI, LTD., a Florida limited partnership; ALICO PLANT WORLD, L.L.C., a Florida limited liability company; ALICO FRUIT COMPANY, LLC, a Florida limited liability company (f/k/a Bowen Brothers Fruit, LLC, a Florida limited liability company); and ALICO LAND DEVELOPMENT, INC., a Florida corporation (individually and collectively, the "Borrower") and RABO AGRIFINANCE, INC., a Delaware corporation (the "Lender"). The Borrower and the Lender agree as follows:

PRELIMINARY STATEMENT. The Borrower and the Lender have entered into a Credit Agreement dated as of September 8, 2010, as amended by the First Amendment to Credit Agreement dated as of August 1, 2011, as further amended by the Second Amendment to Credit Agreement dated as of December 21, 2011 and as amended by the Third Amendment to Credit Agreement dated as of June 11, 2012 (said agreement as amended by any and all modifications or amendments thereto is hereinafter referred to as the "Credit Agreement"). The terms defined in the Credit Agreement are used herein as therein defined).

Borrower and Lender wish to amend certain provisions of the Credit Agreement.

NOW, THEREFORE, Borrower and Lender agree as follows:

ARTICLE 7 - BORROWER COVENANTS

Section 7.08 (c) is hereby amended to read:

7.08 Reporting Requirements. Borrower shall furnish to Lender:

(c) no less frequently than **30 days after the end of each fiscal year**, financial projections for Borrower's operations for the upcoming fiscal year, specifying the assumptions on which they are based.

Representations and Warranties. Borrower represents and warrants that:

(a) All representations made by Borrower to Lender in the Credit Agreement are true and correct as if first made as of the date of this agreement;

(b) the execution, delivery and performance by Borrower of this agreement and the Credit Agreement, as amended by this agreement, are within Borrower's powers, have been duly authorized by all necessary company action and do not contravene Borrower's articles of organization or operating agreement, as applicable, or any law or any contractual restriction binding on or affecting Borrower, or result in, or require, the creation of any lien, security interest or other charge or encumbrance upon or with respect to any of the Borrower's properties, other than in favor of Lender;

(c) no authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by Borrower of this agreement or the Credit Agreement, as amended by this agreement;

(d) this agreement and the Credit Agreement, as amended by this agreement, constitute, legal, valid and binding obligations of Borrower enforceable against Borrower in accordance with their respective terms; and

(e) no Event of Default or event which, with the giving of notice or the passage of time would be an Event of Default has occurred, unless waived by the terms and conditions of this agreement.

Modification Agreement. This agreement does not release or extinguish the Obligations under the Credit Agreement. All Collateral granted to or for the benefit of Lender for purposes of securing the Obligations also secures the Obligations under the Credit Agreement, as amended by this agreement; and Borrower reaffirms the terms and provisions of all Collateral Documents.

WAIVER OF PRIOR CLAIMS. BORROWER WAIVES AND RELEASES ANY AND ALL CLAIMS AGAINST LENDER, ITS PARENT, SUBSIDIARIES, AFFILIATES AND ITS MERGED PREDECESSOR, AG SERVICES OF AMERICA, INC., THE SUBSIDIARY OF SUCH PREDECESSOR, AG ACCEPTANCE CORPORATION, AND THE RESPECTIVE SUCCESSORS, ASSIGNS, PARTICIPANTS, AGENTS AND EMPLOYEES OF EACH AND ALL OF THE FOREGOING, RELATING OR PERTAINING TO OR AS A RESULT OF THE EXISTING LOANS, AND ANY OTHER ACT OR OMISSION WHICH HAS OCCURRED PRIOR TO THE EXECUTION OF THIS AGREEMENT, INCLUDING ALL CLAIMS OF USURY, FRAUD, DECEIT, MISREPRESENTATION, UNCONSCIONABILITY, DURESS, OR LENDER LIABILITY, ANY OTHER CLAIM IN TORT OR IN CONTRACT, OR FOR VIOLATION OF ANY LAW, RULE OR REGULATION.

Reference to and Effect on the Credit Agreement.

(a) On and after the date hereof, each reference in the Credit Agreement to "this agreement", "hereunder" "hereof", "herein" or words of like import shall mean and be a reference to the Credit Agreement as amended hereby.

(b) Except as specifically amended by any prior amendments, the Credit Agreement shall remain in full force and effect and is hereby ratified and confirmed.

(c) The execution, delivery and effectiveness of this amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of Lender under the Credit Agreement, nor constitute a waiver of any provision of the Credit Agreement.

Execution in Counterparts. This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument.

Expenses. The Borrower shall pay on demand all costs and expenses incurred by the Lender in connection with the preparation, execution, delivery, filing, and administration of this Amendment (including, without limitation, Legal Fees incurred in connection with the preparation of this Amendment and advising the Lender as to its rights, and the cost of any credit verification reports or field examinations of the Borrower's properties or books and records). The Borrower's obligations to the Lender under this Section shall survive termination of this Agreement and repayment of the Borrower's obligations to the Lender under the Credit Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed as of the date first above written

BORROWER

ALICO, INC., a Florida corporation

By: /s/ J.D. Alexander

J.D. ALEXANDER, Chief Executive Officer

ALICO-AGRI, LTD., a Florida limited partnership

By: ALICO, INC., a Florida corporation, its General Partner

By: /s/ J.D. Alexander

J.D. ALEXANDER, Chief Executive Officer

~ SIGNATURES CONTINUE ON NEXT PAGE~

ALICO PLANT WORLD, L.L.C., a Florida limited liability company

By: ALICO, INC., a Florida corporation

By: /s/ J.D. Alexander

J. D. ALEXANDER, Chief Executive Officer

ALICO FRUIT COMPANY, LLC, a Florida limited liability company
(f/k/a Bowen Brothers Fruit, LLC, a Florida limited liability company)

By: ALICO, INC., a Florida corporation, its Managing Member

By: /s/ J.D. Alexander

J. D. ALEXANDER, Chief Executive Officer

ALICO LAND DEVELOPMENT, INC., a Florida corporation

By: /s/ J.D. Alexander

J. D. ALEXANDER, Chief Executive Officer

LENDER

RABO AGRIFINANCE, INC.

By: /s/ Shirley L. Dobbs

SHIRLEY L. DOBBS, Vice President

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002.

I, JD Alexander certify that;

1. I have reviewed this Quarterly Report on Form 10-Q of Alico, Inc. (Alico),
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, and is not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of Alico as of, and for, the periods presented in this report;
4. Alico's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for Alico and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to Alico, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of Alico's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in Alico's internal control over financial reporting that occurred during Alico's most recent fiscal quarter ended March 31, 2013, that has materially affected, or is reasonably likely to materially affect, Alico's internal control over financial reporting; and
5. Alico's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to Alico's auditors and audit committee of Alico's Board of Directors:
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 6, 2013

/s/ JD Alexander
JD Alexander
Chief Executive Officer and President

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002.

I, W. Mark Humphrey that;

1. I have reviewed this quarterly report on Form 10-Q of Alico, Inc. (Alico),
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, and is not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of Alico as of, and for, the periods presented in this report;
4. Alico's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for Alico and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to Alico, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of Alico's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in Alico's internal control over financial reporting that occurred during Alico's most recent fiscal quarter ended March 31, 2013, that has materially affected, or is reasonably likely to materially affect, Alico's internal control over financial reporting; and
5. Alico's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to Alico's auditors and audit committee of Alico's Board of Directors:
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: May 6, 2013

/s/ W. Mark Humphrey
W. Mark Humphrey
Chief Financial Officer and Senior Vice President

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Alico, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2013, as filed with the Securities and Exchange Commission on May 6, 2013, (the "Form 10-Q"), I, JD Alexander, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Form 10-Q fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- (2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 6, 2013

/s/ JD ALEXANDER
JD Alexander
Chief Executive Officer and President

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Alico, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2013, as filed with the Securities and Exchange Commission on May 6, 2013, (the "Form 10-Q"), I, W. Mark Humphrey, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Form 10-Q fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and
- (2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: May 6, 2013

/s/ W. Mark Humphrey
W. Mark Humphrey
Chief Financial Officer and Senior Vice President
