



## Consolidated Tomoka Issues Response to Wintergreen Advisers

January 30, 2017

DAYTONA BEACH, Fla.--(BUSINESS WIRE)-- Consolidated-Tomoka Land Co. (NYSE MKT: CTO) ("CTO" or the "Company") today sent a letter to Wintergreen Advisers, LLC ("Wintergreen") in response to the letter publicly filed by Wintergreen on January 23, 2017.

The company also issued the following statement:

Wintergreen's position with regard to its proposed director nominations has no legal merit. The facts are simple: Wintergreen is not a shareholder of record of Consolidated-Tomoka. The Company's bylaws clearly state that record ownership, not just beneficial ownership, is required to nominate director candidates to stand for election at the Company's Annual Meeting. A different legal standard applies to Wintergreen's shareholder proposals, which the Company has accepted in the past.

Wintergreen Fund, which owns too many CTO shares to sell within a reasonable time without adversely affecting the market for the shares, has never discounted its CTO shares when setting the price of its own shares. The Company's Board of Directors, half of whom were named to the Board in consultation with Wintergreen, believe that Wintergreen wants a quick sale or liquidation of the Company to satisfy its own need for liquidity in its CTO shares. The Board believes that it would be inconsistent with its duty to all shareholders to make an exception to the Company's bylaws for a shareholder that seeks to take the Company in a direction that would be damaging to other shareholders. A liquidation of CTO would likely result in significant value destruction for shareholders due to significant tax costs.

Wintergreen said in a recent letter that "Wintergreen's nominees will seek to complete the mandate to maximize shareholder value through the sale of CTO or through the liquidation of CTO's assets..." As previously disclosed, an independent committee of the Board, assisted by its independent financial advisor, Deutsche Bank, conducted a thorough review of the Company's strategic options within the past year, including an assessment of whether it would be in the best interests of all shareholders to proceed with a sale of the Company or liquidation of its assets. After a deliberate and comprehensive process, the independent committee received only two proposals for the sale of the Company, neither of which were acceptable. Both were all-stock proposals which carried significant risk and that represented less than a five percent premium to the trading price of the Company's stock at the time the proposals were received. After careful consideration, the Board determined that a sale or liquidation of the Company would not be, at this time, in the best interests of the Company's shareholders, and that the best way to maximize value for shareholders is to continue with the Company's business plan.

The Company remains open to constructive engagement with Wintergreen, and we reiterate our desire to work with Wintergreen toward a solution that is beneficial to all shareholders.

The complete text of the letter sent to Wintergreen is copied below:

Jack Yoskowitz  
Seward & Kissel LLP  
901 K Street, NW  
Washington, DC 20001

Dear Mr. Yoskowitz,

The Board of Directors of Consolidated-Tomoka Land Co. (the "Company" or "CTO") has carefully considered the letter you sent to me on January 23, 2017 as counsel to Wintergreen Advisers, LLC ("Wintergreen"), and has directed me to respond to you.

You state that Wintergreen is a beneficial owner of shares and is entitled to submit shareholder proposals. As you must be aware, however, the SEC rules on shareholder proposals, and specifically Rule 14a-8, do not apply to director nominations, which require compliance with the Company's Bylaws. Rule 14a-8(i)(8)(iv) specifically excludes director nominations from the rule. For this reason, there is no basis for your false and misleading assertions that the Company violated Rule 14a-8 by requiring compliance with its Bylaws, or by not responding within 14 calendar days.

You ask for detail about how Wintergreen's nominations failed to comply with the information requirement of §1.11(b)(2)(A)(v) of the Bylaws. That section requires "a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and any other material relationships, between or among such shareholder and beneficial owner, if any, on whose behalf the nomination is being made, and their respective affiliates and associates, or others acting in concert therewith, on the one hand, and each proposed nominee, and his or her respective affiliates and associates, or others acting in concert therewith." The purported nominations did not contain this information.

In the exercise of its business judgment, the Board, half of whom had been named to the Board in consultation with Wintergreen, unanimously concluded that permitting Wintergreen to seek to control the Board would be against the interests of all shareholders. This conclusion was based on Wintergreen's own public statements suggesting that its priority is to sell the Company or liquidate its assets.

The Company's independent directors, together with Deutsche Bank as their independent financial advisor, recently concluded a very thorough review of strategic alternatives, including the sale of the Company or the liquidation of all of its assets. They extensively canvassed potential acquirers. This was a fair and open process with no constraints. The process did not result in any acceptable bids. The Board unanimously concluded that the Company could not be sold or liquidated at this time at a price that would be fair to shareholders, and that the best way to maximize shareholder value is to continue to pursue the Company's business plan.

The Board is aware that Wintergreen's mutual fund, Wintergreen Fund (the "Fund") faces pressure to liquidate its CTO shares because of

substantial shareholder withdrawals from the Fund, and that the Fund owns more CTO shares than it could sell within a reasonable time without affecting the market price. The Board understands that Wintergreen would like to sell the Company or its assets as quickly as possible, to alleviate the Fund's own liquidity problem, but the Board believes that doing so would damage the interests of the Company's other shareholders.

The Company's business plan involves profitable liquidation of the Company's landholdings and reinvestment of the proceeds into income-producing properties on a tax-deferred basis. This takes longer than a fire sale, but is far more beneficial to shareholders.

The Board remains open to offers and suggestions of alternatives at all times, and wishes to repeat the Company's interest in potentially repurchasing all or a significant portion of Wintergreen's CTO shares at a mutually agreeable price. We will look forward to hearing from you regarding Wintergreen's willingness to enter into negotiations with the Company to seek a way forward. In the meantime, the Board believes that continued pursuit of the Company's business plan is the best way to monetize the Company's assets and maximize value for all of its shareholders.

Very truly yours,

Robert B. Robbins

#### **About Consolidated-Tomoka Land Co.**

Consolidated-Tomoka Land Co. is a Florida-based publicly traded real estate company, which owns a portfolio of income investments in diversified markets in the United States including approximately 1.7 million square feet of income properties, as well as approximately 9,800 acres of land in the Daytona Beach area. Visit our website at [www.ctlc.com](http://www.ctlc.com).

We encourage you to review our most recent investor presentations, from our Investor Day on December 2, 2016 and the Third Quarter 2016 pertaining to the results for the quarter and nine months ended September 30, 2016, available on our website at [www.ctlc.com](http://www.ctlc.com).

#### **SAFE HARBOR**

Certain statements contained in this press release (other than statements of historical fact) are forward-looking statements. Words such as "believe," "estimate," "expect," "intend," "anticipate," "will," "could," "may," "should," "plan," "potential," "predict," "forecast," "project," and similar expressions and variations thereof identify certain of such forward-looking statements, which speak only as of the dates on which they were made. Although forward-looking statements are made based upon management's expectations and beliefs concerning future developments and their potential effect upon the Company, a number of factors could cause the Company's actual results to differ materially from those set forth in the forward-looking statements. Such factors may include the completion of 1031 exchange transactions, the availability of investment properties that meet the Company's investment goals and criteria, as well as the uncertainties and risk factors discussed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 as filed with the Securities and Exchange Commission. There can be no assurance that future developments will be in accordance with management's expectations or that the effect of future developments on the Company will be those anticipated by management.

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