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

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): October 22, 2007

ALICO, INC.

(Exact Name of Registrant as Specified in Charter)

FLORIDA
(State or Other Jurisdiction
of Incorporation)

0-261
(Commission File Number)

59-0906081
(IRS Employer
Identification No.)

**POST OFFICE BOX 338,
LA BELLE, FLORIDA**
(Address of Principal Executive Offices)

33975
(Zip Code)

Registrant's telephone number, including area code: (863) 675-2966

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- .. Written communications pursuant to Rule 425 under the Securities Act (17 C.F.R. 230.425)
 - .. Soliciting Material pursuant to Rule 14a-12 under the Exchange Act (17 C.F.R. 240.14a-12)
 - .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14D-2(b))
 - .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 C.F.R. 240.13e-4(c))
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ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

On October 22, 2007, Alico's wholly owned subsidiary, Alico-Agri, Ltd. ("Alico-Agri") closed on the restructure of one of its previously announced agreements with The Ginn Development Companies ("Ginn") and its associated partner Lubert-Adler Real Estate Opportunity Fund for the sale of Alico-Agri's property in Lee County, Florida. The documents for the restructure, consisting of a Second Amended and Restated Renewal Promissory Note in the principal amount of \$54,552,668.20 in favor of Alico-Agri, Ltd., and a Second Amendment to Mortgage Deed, by and between Ginn-LA Naples, Ltd., LLP and Alico-Agri, Ltd., are retroactively effective as of September 28, 2007.

In 2001 and 2003 Alico-Agri entered into three separate agreements with Ginn for the sale of approximately 5,609 acres of land near Florida Gulf Coast University. The first contract, for an amount of \$62.9 million relating to a sale which closed in July 2005, was the only contract subject to the restructure. The restructure consists of a reduction in the amount of principal due under this contract as follows: the amount of principal due on September 28, 2007 was reduced from \$12.3 million to \$0.4 million; the amount of principal due on September 28, 2008 was reduced from \$12.3 million to approximately \$3.5 million; the amount of principal due on September 28, 2009 was reduced from \$14.1 million to \$12.0 million; and the amount of principal due on September 28, 2010 was reduced from \$15.8 million to \$12.0 million. The restructuring extends the term one year for a balloon payment on September 28, 2011 of approximately \$26.6 million. The note was also revised to set the interest rate retroactively to July, 2005 and base it on LIBOR plus 1.5%. The future payment of all interest outstanding will be made on a quarterly basis for the remaining term of the note based on LIBOR plus increasing percentage increments. This revision provides Alico with various options should Ginn default on its obligations. The payment terms of the second and third contracts remain unchanged. The documents which contain the full terms of the restructuring are attached as Exhibits 10.01 and 10.02 to this report.

In connection with the closing of the restructuring transaction, Alico-Agri received a total of \$11.1 million in cash; \$6.8 million relating to the first contract and consisting of \$0.4 million of principal, \$6.1 million of interest and the balance as an expense reimbursement; \$3.6 million for an option extension on a second contract; and a payment of \$0.7 million for interest due on the third contract.

Item 8.01 *Other Events.*

On October 24, 2007, the Company issued a press release announcing that its wholly-owned subsidiary, Alico-Agri, Lt. ("Alico-Agri") restructured one of its previously-announced agreements with the Ginn Development Companies ("Ginn") for the sale of Alico-Agri's property in Lee County, Florida. The details of the restructure are disclosed above in Item 1.01 of this report.

The press release also announced Alico-Agri's receipt of certain payments related to the Ginn contracts.

The Company is filing a copy of that press release as Exhibit 99.1 to this report.

Item 9.01. *Financial Statements and Exhibits.*

(a) *Financial Statements of Businesses Acquired.*

Not applicable.

(b) *Pro Forma Financial Information.*

Not applicable.

(c) *Shell Company Transactions.*

Not applicable.

(d) *Exhibits.*

The following exhibits are included with this Report:

- | | |
|---------------|---|
| Exhibit 10.01 | Second Amended and Restated Renewal Promissory Note in the principal amount of \$54,552,688.20, effective September 28, 2007. |
| Exhibit 10.02 | Second Amendment to Mortgage Deed, effective September 28, 2007. |
| Exhibit 99.1 | Press Release dated October 24, 2007, announcing restructuring of Ginn Land Sale Agreements. |

SIGNATURES

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

ALICO, INC.
(Registrant)

Date: October 25, 2007

By: /s/ JOHN R. ALEXANDER

John R. Alexander
President and Chief Executive Officer

EXHIBIT INDEX

- Exhibit 10.01 Second Amended and Restated Renewal Promissory Note in the principal amount of \$54,552,688.20, effective September 28, 2007.
- Exhibit 10.02 Second Amendment to Mortgage Deed, effective September 28, 2007.
- Exhibit 99.1 Press Release dated October 24, 2007, announcing restructuring of Ginn Land Sale Agreements.

THIS SECOND AMENDED AND RESTATED RENEWAL PROMISSORY NOTE ("NOTE") AMENDS, RESTATES, RENEWS AND SUPERSEDES THAT CERTAIN AMENDED AND RESTATED RENEWAL PROMISSORY NOTE, DATED JULY 12, 2005, EXECUTED BY GINN-LA NAPLES LTD., LLLP, A GEORGIA LIMITED LIABILITY LIMITED PARTNERSHIP IN FAVOR OF ALICO-AGRI, LTD., WHICH AMENDED AND RESTATED RENEWAL PROMISSORY NOTE AMENDED, RESTATED, RENEWED AND SUPERSEDED THAT CERTAIN PROMISSORY NOTE, DATED JULY 12, 2005, EXECUTED BY GINN-LA NAPLES LTD., LLLP, A GEORGIA LIMITED LIABILITY LIMITED PARTNERSHIP IN FAVOR OF FIRST AMERICAN EXCHANGE COMPANY, LLC, A DELAWARE LIMITED LIABILITY COMPANY, IN THE ORIGINAL PRINCIPAL AMOUNT OF \$56,610,000.00, AS ASSIGNED BY FIRST AMERICAN EXCHANGE COMPANY, LLC, TO ALICO-AGRI, LTD. PURSUANT TO THAT CERTAIN ASSIGNMENT OF MORTGAGE AND NOTE DATED OCTOBER 9, 2006, RECORDED ON OCTOBER 19, 2006, AT INSTRUMENT NO. 2006000400690 IN THE PUBLIC RECORDS OF LEE COUNTY, FLORIDA ("ORIGINAL NOTE"). ALICO-AGRI, LTD. REPRESENTS AND WARRANTS IT IS THE CURRENT HOLDER OF THE AMENDED AND RESTATED RENEWAL PROMISSORY NOTE AND THE ORIGINAL NOTE. ALL FLORIDA DOCUMENTARY STAMP TAXES AND INTANGIBLE PERSONAL PROPERTY TAXES DUE IN CONNECTION WITH THE ORIGINAL NOTE HAVE BEEN PREVIOUSLY PAID ON THE MORTGAGE DEED SECURING THE ORIGINAL NOTE RECORDED AT OR BOOK 4795, PAGE 2848 IN THE PUBLIC RECORDS OF LEE COUNTY, FLORIDA. NO FURTHER FLORIDA DOCUMENTARY STAMP TAXES OR INTANGIBLE PERSONAL PROPERTY TAXES ARE DUE.

SECOND AMENDED AND RESTATED RENEWAL PROMISSORY NOTE

Amount of Original Note:	\$56,610,000.00
Amount of Note:	\$54,552,668.20
Date of Original Note:	July 12, 2005
Effective Date of the Note:	September 28, 2007
Maker's Name and Address:	GINN-LA NAPLES LTD., LLLP Ginn Development Company Attention: Edward R. Ginn, III 215 Celebration Place Suite 200 Celebration, Florida 34747
Payee's Name and Address:	ALICO-AGRI, LTD. , a Florida limited partnership P.O. Box 338 Labelle, Florida 33975 640 S. Main Street Labelle, Florida 33935

FOR VALUE RECEIVED, the undersigned, and if more than one, jointly and severally (the "Maker") promises to pay to the order of **ALICO-AGRI, LTD.**, a Florida limited partnership ("Payee"), at its principal office set forth above, or at such other place as Payee may from time to time designate to the Maker in writing, in legal tender of the United States, the amount of the Note (the "Principal Amount") together with interest at the rates set forth below on the unpaid balance of the Principal Amount, as follows:

1. The Principal Amount remaining unpaid under this Note from time to time shall bear interest in arrears as follows: commencing on July 12, 2005, and continuing until September 27, 2009 the interest rate shall be HSH 30-day LIBOR (hereafter defined) plus 150 basis points per annum; commencing on September 28, 2009 and continuing until September 27, 2010, the interest rate shall be HSH 30-day LIBOR plus 200 basis points per annum; and commencing on September 28, 2010 and continuing until September 28, 2011 (the "Maturity Date"), the interest rate shall be HSH 30-day LIBOR plus 250 basis points per annum. As of September 28, 2006, a portion of the interest which had accrued as of that date in the amount of One Million Seven Hundred Seventeen Thousand Six Hundred Eighty-Eight and 20/100 Dollars (\$1,717,688.20) (the "Principal Addition") was added to the Principal Amount of the Original Note as of that date. For purposes of this Note, HSH 30-day LIBOR shall mean the 1-month HSH LIBOR rate published by HSH Associates Financial Publishers or, if such index is no longer published, another comparable 30-day LIBOR index reasonably selected by Payee. The interest rate on this Note shall be adjusted from and after the date of any change in HSH 30-day LIBOR.

2. As of September 28, 2007, all accrued interest on this Note not previously added to the Principal Amount of the Original Note in the amount of Six Million Fifty-Five Thousand and no/100 Dollars (\$6,055,000.00) has been paid in full. After September 28, 2007, interest shall be payable quarterly on December 28, 2007, March 28, 2008, June 28, 2008, September 28, 2008, and each quarter thereafter until the Maturity Date and the entire Principal Amount and all interest have been paid in full.

3. Principal shall be due and payable as set forth in this Paragraph 3. As of September 28, 2006, Maker made a special principal payment ("Special Principal Payment") on the Original Note in an amount of Three Million Seven Hundred Seventy-Five Thousand and no/100 Dollars (\$3,775,000.00). Due to the Special Principal Payment and the Principal Addition the outstanding principal amount of the Original Note, as amended and restated by the Amended and Restated Renewal Promissory Note and this Note, is \$54,552,668.20. Maker shall make a principal payment (each, a "Minimum Annual Principal Payment") on September 28th of the following years (each, an "Anniversary Date") as follows: an amount equal to Four Hundred Forty-Five Thousand and no/100 Dollars (\$445,000.00) on September 28, 2007; an amount equal to the difference between (x) Six Million Seven Hundred Fifty Thousand and no/100 Dollars (\$6,750,000.00) and (y) the interest accrued and paid on this Note for the period from September 28, 2007 to and including September 28, 2008, on September 28, 2008; an amount equal to Twelve Million and no/100 Dollars (\$12,000,000.00) on September 28, 2009; an amount equal to Twelve Million and no/100 Dollars (\$12,000,000.00) on September 28, 2010; a final payment of the remaining unpaid balance of Principal Amount together with all accrued and unpaid interest due on the Maturity Date.

Notwithstanding the foregoing, in the event that Maker has at any time during any given year prior to any Anniversary Date, paid any or all of such year's Minimum Annual Principal Payment, then on the Anniversary Date of such year, Maker shall only be required to pay the balance due towards the Minimum Annual Principal Payment for such year which has not been paid as of the Anniversary Date. Additionally, in the event that Maker, in any given year, pays more than such year's Minimum Annual Principal Payment, then such credit balance shall be carried over to the next succeeding year and shall reduce the amount of the next year's Minimum Annual Principal Payment by the excess amount paid in the previous year. All such payments of principal shall be applied to the then outstanding principal balance of this Note provided all interest due and payable as of such date has been paid in full to Payee and, if not, such payments shall be applied first to interest and then to principal.

4. All payments of principal and interest shall be made in legal tender of the United States and shall be by wire transfer, cashier's check or other readily available funds acceptable to Payee.

5. Notwithstanding any provision to the contrary contained herein, Maker has the right to setoff against the next ensuing payments Maker is otherwise obligated to make hereunder, all costs and expenses of Maker specified in Section 5 of the Fourth Amendment (as defined herein).

6. This Note is secured by that certain Mortgage Deed, dated July 12, 2005, executed by Maker in favor of Payee, recorded on July 13, 2005 at OR Book 4795, page 2848 in the Public Records of Lee County, Florida, as amended by that certain First Amendment to Mortgage Deed, effective as of July 12, 2005, and recorded on December 22, 2006, in Instrument Number 2006000474156, of the Public Records of Lee County, Florida, as amended by that certain Second Amendment to Mortgage Deed effective September 28, 2007, executed by Maker in favor of Payee, to be recorded in aforesaid records (collectively, the "Mortgage") to which reference is hereby made for a description of the Mortgaged Property (as defined in the Mortgage), the nature and extent of the security, the rights of the Payee in respect thereof and the terms and conditions upon which this Note is issued.

7. If any principal, interest or other sums payable under this Note or under the Mortgage are not promptly paid when due and not cured within fifteen (15) days after written demand from Payee to Maker or if default be made by Maker in the performance of any other agreements, conditions or covenants contained herein or in the Mortgage, which nonmonetary default is not cured within thirty (30) days after written notice from Payee to Maker or if such nonmonetary default by its nature cannot be cured within thirty (30) days, Maker within said thirty (30) days has not commenced to cure said default and thereafter actually cured such default within six (6) months after such notice subject to force majeure, then the Principal Amount and accrued interest shall become due and payable immediately, at the option of the holder hereof. Failure to exercise this option shall not constitute a waiver of the right to exercise the same in the event of any subsequent default.

8. Maker agrees to pay all costs of collection of this Note including reasonable attorneys' fees, and all costs, expenses and attorneys' fees for any retrial, rehearing or appeals. Any and all sums due hereunder after a default beyond any applicable grace or cure period under this Note or under the Mortgage shall bear interest at the rate which is five percent (5%) higher than the rate of

interest in effect under this Note at the time of such default from the date when such sums are due until paid. The interest payable or agreed to be paid hereunder shall not exceed the highest lawful rate of interest permitted in the State of Florida, and if, inadvertently, there is such excess sum, it shall be applied to reduce the Principal Amount or returned to Maker if this Note is then paid in full.

9. The Maker hereby waives presentment for payment, protest, notice, notice of protest and notice of dishonor and agrees to remain and continue to be bound for the payment of all sums due under this Note notwithstanding any renewals or extension of the time for payment of sums due hereunder or any changes by way of release, surrender or substitution of any security for this Note, and waive all and every kind of notice of such extensions or changes.

10. The Maker shall be exculpated from personal liability for payment of the indebtedness represented hereby and Payee, by acceptance hereof agrees that it shall not seek, be entitled to or enforce any deficiency judgment against Maker and that Payee's sole remedy shall be limited to its rights of repossession, foreclosure or sale of the Mortgaged Property as provided in the Mortgage and such other rights in or recourse to the property, both real and personal, hypothecated by Maker under the Mortgage.

11. Time is of the essence with respect to all obligations hereunder.

12. This Note shall be construed and enforced according to the laws of Florida. Venue for any action concerning this Note shall be in Lee County, Florida.

13. This Note may be prepaid in whole or in part at any time, without penalty, and any prepayment shall apply first to accrued interest that is due and payable and then to the Principal Amount.

14. This Note may not be changed orally, but only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

15. The words "Maker" and "Payee" shall include their respective successors, assigns, heirs, executors and administrators.

16. This Note has been entered into and delivered pursuant to that certain Third Amended and Restated Agreement for Purchase and Sale, dated August 29, 2003, by and between Maker and Payee, as amended by First Amendment to Third Amended and Restated Agreement for Purchase and Sale dated December 5, 2003, as amended by Second Amendment to Third Amended and Restated Agreement for Purchase and Sale dated February 18, 2004, as amended by that certain "1031 Exchange" Amendment to Third Amended and Restated Agreement for Purchase and Sale dated April 29, 2004, as amended by the Third Amendment to Third Amended and Restated Agreement for Purchase and Sale dated June 9, 2005 ("Third Amendment"), as amended by the Fourth Amendment to Third Amended and Restated Agreement for Purchase and Sale dated June 30, 2005 ("Fourth Amendment"), as

amended by the Fifth Amendment to Third Amended and Restated Agreement for Purchase and Sale dated as of July 7, 2005, and as assigned in part to First American Exchange Company, LLC, a Delaware limited liability company, by Payee pursuant to that certain Assignment Agreement (Relinquished Property), dated July 8, 2005 (collectively, the "Purchase and Sale Agreement"). In the event of any conflict or inconsistency between any of the terms or provisions of this Note or the Mortgage with any of the terms or provisions of the Purchase and Sale Agreement, the terms and provisions of this Note or the Mortgage shall control.

17. This Note amends, renews, restates and supersedes the Amended and Restated Renewal Promissory Note in its entirety, which Amended and Restated Renewal Promissory Note had amended, renewed, restated and superseded the Original Note in its entirety. Maker and Payee each hereby ratifies, confirms and approves the Note. Any references to the Note in any other document evidencing, securing or otherwise relating to the indebtedness evidenced by the Note shall mean and refer to this Second Amended and Restated Renewal Promissory Note. This Second Amended and Restated Renewal Promissory Note may be executed in several counterparts, each of which counterparts shall be deemed an original instrument and all of which together shall constitute a single Second Amended and Restated Renewal Promissory Note.

IN WITNESS WHEREOF, Maker and Payee each has caused its duly authorized agent to execute this Second Amended and Restated Renewal Promissory Note on the date set forth below, but effective as of September 28, 2007.

“MAKER”

GINN-LA NAPLES LTD., LLLP, a Georgia
limited liability limited partnership

By: Ginn-Naples GP, LLC, a Georgia
limited liability company, its sole
General Partner

By: /s/ Robert F. Masters

Name: Robert F. Masters

Title: President

Date 10/17/07

[signatures to Second Amended and Restated Renewal Promissory Note
continue on following page]

[signatures to Second Amended and Restated Renewal Promissory Note
continued from previous page]

“PAYEE”

ALICO-AGRI, LTD., a Florida limited partnership

By: Alico, Inc., a Florida corporation, its
General Partner

By: /s/ John R. Alexander

Name: John R. Alexander

Title: CEO

Date 10/17/07

This instrument prepared by and return to:

INSTR # 2007000319331, Pages 14
Doc Type MOD, Recorded 10/22/2007 at 01.36 PM,
Charlie Green, Lee County Clerk of Circuit Court
Rec Fee \$120.50
Deputy Clerk JMILLER #1

Ruden, McClosky, Smith, Schuster & Russell, P.A.
5150 Tamiami Trail North
Suite 502
Naples, Florida 34103
Attn: John L. Farquhar, Esq.

Cross Reference:
OR Book 4795, Page 2848
Instrument No. 2006000400690
Instrument No. 2006000474156
Lee County, FL Records

NOTE TO CLERK: The Second Amended and Restated Renewal Promissory Note (the "Second Renewal Note") secured hereby renews the Amended and Restated Renewal Promissory Note (the "Renewal Note"), which renewed that certain Promissory Note dated July 12, 2005 in the original amount of \$56,610,000.00 ("Prior Note") secured by the Mortgage Deed recorded at Official Records Book 4795, Page 2848, in the Public Records of Lee County, Florida, as assigned by the mortgagee pursuant to that certain Assignment of Mortgage and Note recorded at Instrument No. 2006000400690 in the Public Records of Lee County, Florida, and as modified by the First Amended to Mortgage Deed recorded on December 22, 2006, at Instrument No. 2006000474156, in the Public Records of Lee County, Florida (collectively, "Prior Mortgage"). Documentary stamp taxes in the amount of \$198,135.00 and intangible taxes of \$113,220.00 were paid upon recordation of the Prior Mortgage. No documentary stamp taxes or intangible taxes are due upon the recording of this Second Amendment to Mortgage Deed.

SECOND AMENDMENT TO MORTGAGE DEED

THIS SECOND AMENDMENT TO MORTGAGE DEED (the "Second Amendment"), effective as of September 28, 2007, by and between GINN-LA NAPLES LTD., LLLP, a Georgia limited liability limited partnership, whose permanent post office mailing address is 215 Celebration Place, Suite 200, Celebration, Florida 34747 (hereinafter called "Mortgagor"), and ALICO-AGRI LTD., a Florida limited partnership, whose permanent post office mailing address is P.O. Box 338, Labelle, Florida 33975 (hereinafter called "Mortgagee").

WITNESSETH:

WHEREAS, Mortgagor executed that certain Mortgage Deed in favor of FIRST AMERICAN EXCHANGE COMPANY, LLC, a Delaware limited liability company ("First American"), dated July 12, 2005, recorded on July 13, 2005 at OR Book 4795, page 2848 in the Public Records of Lee County, Florida, as assigned by First American to Mortgagee pursuant to that certain Assignment of Mortgage and Note dated October 9, 2006, recorded on October 19, 2006 at Instrument No. 2006000400690 in the Public Records of Lee County, Florida, as modified by the First Amendment to Mortgage Deed recorded on December 22, 2006, at Instrument No. 2006000474156 in the Public Records of Lee County, Florida (collectively, the "Mortgage") with regard to the Mortgaged Property (as defined therein);

WHEREAS, Mortgagor was indebted to Mortgagee in the original principal sum of Fifty-Six Million Six Hundred Ten Thousand and no/100 Dollars (\$56,610,000.00) together with interest thereon, as evidenced by a certain promissory note in favor of First American in the original principal sum of Fifty-Six Million Six Hundred Ten Thousand and no/100 Dollars (\$56,610,000.00) together with interest thereon, which promissory note, as assigned by First American to Mortgagee and subsequently as amended and restated and renewed by Mortgagor and Mortgagee pursuant to that certain Amended and Restated Renewal Promissory Note effective July 12, 2005, in the original principal sum of Fifty-Six Million Six Hundred Ten Thousand and no/100 Dollars (\$56,610,000.00), as further amended, restated and renewed by Mortgagor and Mortgagee pursuant to that certain Second Amended and Restated Renewal Promissory Note in the original principal sum of Fifty-Four Million Five Hundred Fifty-Two Thousand Six Hundred Sixty Eight and 20/100 Dollars (\$54,552,668.20) (the "Note"), which provides, among other things, that that all principal and accrued interest is due and payable on or before the date or dates described in the Note;

WHEREAS, Mortgagor and Mortgagee desire to make certain further amendments to the Mortgage, as are more particularly described herein.

NOW, THEREFORE, for and in consideration of the foregoing premises and the sum of Ten and No/100 Dollars (\$10.00) cash in hand paid by each party hereto to the other, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Mortgagor and Mortgagee hereby agree as follows:

1. Preamble. The preamble to this Second Amendment is incorporated in this Second Amendment as if set forth in this Second Amendment.

2. Definitions. All terms used in this Amendment with an initial capital letter, which are not otherwise defined herein, shall have the meanings given to such terms in the Mortgage.

3. Controlling Documents. In the event of a conflict between this Second Amendment and the Mortgage, this Second Amendment shall control. In the event of a conflict between the Mortgage and the Note, the Mortgage as modified by this Second Amendment shall control.

4. Additional Security for Mortgagee. As a requirement for recording any Subdivision Plat or Subdivision Plats for any portion of the Mortgaged Property Mortgagor shall either: (i) include Mortgagee as an additional beneficiary on any bond, letter of credit or other security required by Lee County in connection with the recording of such Subdivision Plat(s) to ensure completion of any subdivision infrastructure improvements located therein which Lee County requires to be bonded, or (ii) if Lee County does not allow Mortgagee to be named a beneficiary of the security posted with Lee County, post security for the benefit of Mortgagee in an equal amount and equal quality to and on substantially the same terms as the security required to be posted with Lee County to ensure completion of such subdivision infrastructure improvements. If (i) Mortgagor does not complete such subdivision improvements on or before the date required under the bond or other security provided to Lee County, or (ii) Mortgagee acquires title to the Mortgaged Property or a portion thereof through foreclosure, deed in lieu of foreclosure, or otherwise and Mortgagee completes such subdivision infrastructure improvements, Mortgagee shall have the right to draw on such bond, letter of credit or other security provided to

Mortgagee for payment of any cost which Mortgagee and its successors and/or assigns, expend to complete the subdivision infrastructure improvements secured by such bond, letter of credit or other security. Except as provided in Section 5 below, Mortgagor shall not have the right to have any Lot released unless (i) the Lot is included in a Subdivision Plat which has been recorded in Lee County, Florida and (ii) all of the requirements set forth herein with respect to the bonding of subdivision infrastructure improvements have been satisfied. However, none of the provisions of this Section 4 shall apply to the release of the Section 6/7 Property.

5. Releases and Mortgagee Right to Repay Cash Payments and Subsequent Applicable Release Payments and Other Issues.

(a) Mortgagor shall not have the right to obtain a release of a Lot and/or of the Section 6/7 Property and/or any portion of the Mortgaged Property at any time when there is a monetary default pursuant to the Note, the Mortgage and/or this Second Amendment, which has not been cured within any applicable grace or cure period, except as otherwise set forth in this Section 5. If Mortgagor defaults pursuant to the Note, the Mortgage and/or this Second Amendment, which default is not cured within any applicable grace or cure period and Mortgagee obtains title to all or a portion of the Mortgaged Property through foreclosure of the Mortgage or conveyance by deed in lieu of foreclosure, or otherwise obtains title to any or all of the Mortgaged Property, and Mortgagee has not previously released to Mortgagor all Lots and/or the Section 6/7 Property which Mortgagor is entitled to have released pursuant to the Mortgage, then Mortgagee shall have the option of either: (i) releasing platted Lots and/or the Section 6/7 Property up to the amount Mortgagee has paid in principal payments pursuant to the release provisions of the Mortgage for Lots and/or the Section 6/7 Property, less all of Mortgagee's Foreclosure Costs (hereafter defined) and less the amounts already credited against any Lots and/or the Section 6/7 Property previously released, subject to the terms and conditions set forth herein (the "Release Option"), or (ii) repaying the amount of principal paid by Mortgagor, less Mortgagee's

Foreclosure Costs, and less amounts credited against any Lots and/or the Section 6/7 Property previously released to Mortgagor ("Repayment Option"). The provisions of this Section 5 (other than subparagraph (f) below) shall not apply to any Lots and/or the Section 6/7 Property if such Lots and/or the Section 6/7 Property were released prior to Mortgagee obtaining title to all or a portion of the Mortgaged Property by foreclosure or deed in lieu of foreclosure or otherwise. If Mortgagee elects to exercise the Release Option and any Lots are to be released, fifty-percent (50%) of the Lots to be released shall be Lots selected by Mortgagee on the lake which is on the Northwest corner adjacent to the existing Alico Road and the other fifty percent (50%) of the Lots shall be Lots selected by Mortgagee on the lake which is on the Southeast corner adjacent to Corkscrew Road. If Mortgagor is entitled to more Lots than all of the Lots on those two lakes, then the additional Lots will be on the large center lake, which Lots shall also be selected by Mortgagee. If Mortgagor has not previously recorded a Subdivision Plat for any Lots to be released, the provisions of Section 5(e) shall apply.

(b) Mortgagee shall provide written notice to Mortgagor of its election under Section 5(a) above within two (2) years of the date of transfer of title to the Mortgaged Property by foreclosure, deed in lieu of foreclosure or otherwise ("Two-Year Period"). Notwithstanding the foregoing, in the event any appeal, bankruptcy filing or other legal proceeding is instituted in a court of competent jurisdiction challenging any foreclosure, deed in lieu of foreclosure or other transfer of title, the Two Year Period shall be extended until a final non-appealable adjudication is rendered which affirms such foreclosure, deed in lieu of foreclosure or other transfer of title (collectively referred to as "Final Vesting"). In the event Mortgagee has elected to exercise the Release Option such election notice shall also identify the specific Lots and/or the Section 6/7 Property to be released to Mortgagor. If Mortgagee fails to provide any notice of election on or before the end of the Two Year Period, Mortgagee shall be deemed to have elected the Repayment Option. Within thirty (30) days of providing such election notice: (x) if Mortgagee has elected the Repayment Option, then Mortgagee shall pay the amount owed to Mortgagor pursuant to the Repayment Option in immediately available funds and Mortgagor shall acknowledge the receipt of such funds and that Mortgagee has fulfilled its

obligations pursuant to this Second Amendment and the Mortgage or (y) if Mortgagee has elected the Release Option, then Mortgagee shall convey to Mortgagor good marketable and insurable fee simple title to the Lots and/or the Section 6/7 Property as designated by Mortgagee pursuant to the election notice, subject to the Permitted Exceptions (hereafter defined), or if a Subdivision Plat has not yet been filed for such Lots, comply with the requirements of Section 5(e).

(c) The Lots and/or the Section 6/7 Property, if applicable, shall be conveyed by special warranty deed subject to all matters which existed at the time the Mortgaged Property was originally conveyed by Mortgagee to Mortgagor, all items affecting title created by Mortgagor, all matters affecting title which were reasonably created in obtaining development approvals relating to the Mortgaged Property, all easements created for utilities, drainage or access, the requirements of this Second Amendment, matters which would be shown by an accurate survey of the applicable property and any other matters of record approved by Mortgagor if Mortgagor is the grantee, or approved by Mortgagee if Mortgagee is the grantee (collectively, the "Permitted Exceptions"). All documentary stamp taxes shall be paid by Mortgagor. All real estate taxes, CDD assessments and other special assessments shall be assumed by Mortgagor without credit. At Closing, Mortgagee shall cause Stewart Title Insurance Company or other nationally recognized title insurance company reasonably acceptable to Mortgagor to issue to Mortgagor, at Mortgagor's sole cost and expense, an owner's title insurance policy insuring good marketable fee simple title to the applicable Lots and/or Section 6/7 Property, subject only to the Permitted Exceptions.

(d) For purposes of this Section 5, "Mortgagee's Foreclosure Costs" shall include any and all costs, charges and expenses, including, but not limited to, attorneys fees (through all stages of legal proceedings in acquiring title to the Property through foreclosure or deed in lieu of foreclosure including but not limited to bankruptcy, pretrial, trial, appellate, administrative), reasonably incurred, survey and engineering studies done relating to Mortgagee's obtaining the Mortgaged Property through

foreclosure or deed in lieu of foreclosure and all other expenses paid at any time by the Mortgagee because of the failure on the part of the Mortgagor to perform, comply with and abide by each and every one of the stipulations, agreements, conditions and covenants of the Note, the Mortgage and this Second Amendment.

(e) If Mortgagee elects the Release Option and Mortgagor had not previously recorded one or more Subdivision Plats that cover all of the Lots to be released, it shall be Mortgagee's responsibility to record when determined appropriate by Mortgagee the necessary Subdivision Plat(s) (which shall be consistent with the Approved Site Plan) and to post any bond, letter of credit or other security required by Lee County in connection therewith for the completion of any subdivision infrastructure improvements and to proceed as Mortgagee determines appropriate with the construction of the subdivision infrastructure improvements and the golf course, which may be an 18-hole or a 27-hole course, and other amenities for all of the Mortgaged Property, at Mortgagee's sole cost and expense, provided that, Mortgagor shall be obligated to pay for its pro rata share of all Project Costs (hereafter defined) incurred by Mortgagee at the closing of the conveyance of the Lots to be released to Mortgagor, which closing shall occur within thirty (30) days after Mortgagee's completion of all of such work. For purposes of this Section 5(e), if Mortgagee has released any portion of the Mortgaged Property to Mortgagor other than the Section 6/7 Property and Lots, if any, Mortgagor shall reconvey to Mortgagee any such part of the Mortgaged Property pursuant to the same standards and requirements as set forth in Section 5(f), which shall be conveyed by Mortgagor to Mortgagee within thirty (30) days after Mortgagee has regained title to a portion of the Mortgaged Property pursuant to foreclosure or a deed in lieu of foreclosure or otherwise. For purposes of this Section 5, "Project Costs" shall mean any and all costs relating to the development of the Mortgaged Property including the construction of all subdivision infrastructure improvements for the Mortgaged Property, any related permitting for the overall project, the cost of building the golf course, which may be an 18-hole or a 27-hole course, and other amenities which are intended to serve the Lots and all related permitting and other governmental charges and fees,

engineering, legal and other related costs for obtaining approvals and permits for the Mortgaged Property and all other related costs and offsite improvements required in order to be able to develop the Lots and the golf course and other amenities. For purposes of this Section 5, Mortgagor's pro rata share shall be equal to the number of Lots being released to Mortgagor pursuant to the Release Option divided by the total number of Lots included in the Approved Site Plan for the Mortgaged Property. Mortgagor shall receive a credit against Mortgagor's pro rata share equal to fifty percent (50%) of any Project Costs previously paid by Mortgagor.

(f) Notwithstanding any provision in the Mortgage or this Second Amendment to the contrary, if Mortgagee acquires title to all or any part of the Mortgaged Property through foreclosure or deed in lieu of foreclosure or otherwise, Mortgagor shall have the right to withdraw the bond, letter of credit or other security that it posted with Lee County in connection with the recording of any Subdivision Plat(s) ("Security Withdrawal"), subject to compliance with the requirements of this Second Amendment, as long as no sales of Lots or any other portion of the Mortgage Property have been made to third parties, provided that Mortgagor provides written notice of such election to Mortgagee within the later to occur of i) 120 days of such transfer of title to Mortgagee, or ii) Final Vesting as defined in Section 5(b). In such event, Mortgagee and its successors and assigns shall have the right to replace such bond, letter of credit or other security provided by Mortgagor to Lee County and if the security is not replaced within ninety (90) days from the later to occur of i) the time Mortgagor provides Mortgagee notice of such election, or ii) Final Vesting as defined in Section 5(b), Mortgagor may proceed to vacate the Subdivision Plat(s). In such event, as part of such Security Withdrawal, notwithstanding any provision contained in this Second Amendment, the Mortgage or otherwise to the contrary, Mortgagor shall not have the right to apply any principal payments to the release of Lots and Mortgagor will reconvey by special warranty deed to Mortgagee any Lots and other portions of the Mortgaged Property, if any, which have been released to Mortgagor from the Mortgage, as modified by this Second Amendment, other than the Section 6/7 Property which Mortgagor

shall be entitled to retain in the event of a Security Withdrawal. The special warranty deed shall be subject only to the Permitted Exceptions. All documentary stamp taxes shall be paid by Mortgagor, All real estate taxes, CDD assessments and other special assessments shall be prorated as of the date of transfer. Mortgagor shall pay for owner's title insurance for Mortgagee at promulgated rate which will be supplied by Mortgagee's counsel or title company selected by Mortgagee.

(g) For purposes of this Section 5, the Mortgage and this Second Amendment, the owners of Lots purchased from Mortgagor shall have the right to purchase memberships in the golf course on the same basis as the owners of Lots purchased from Mortgagee. For purposes of this Section 5, the Mortgage and this Second Amendment, the owners of Lots purchased from Mortgagee shall have the right to purchase memberships in the golf course on the same basis as the owners of Lots purchased from Mortgagor. For purposes of this Section 5, all other provisions of the Mortgage and this Second Amendment, the Approved Site Plan shall mean the Master Site Plan, which is a conceptual site plan, shown on page 4 of 30 of WilsonMiller Project Number 03552-005-001-EPP00, Index Number D-3552-44, used to obtain SFWMD Environmental Resource Permit Number 36-05075-P (Lot 308 has been deleted), and as supplemented by Master Site Plan shown on Sheet 5 of 57 of WilsonMiller Project No. 03552-005-002-FLP00, Index Number D-3552-71. Mortgagee may change the Approved Site Plan as long as Mortgagee obtains Mortgagor's consent, which consent shall not be unreasonably withheld, delayed or conditioned. After all Lots that Mortgagor is entitled to receive have been conveyed to Mortgagor, Mortgagee may change the Approved Site Plan without Mortgagor's consent as long as such changes do not change Mortgagor's Lots or materially and adversely change ingress, egress, drainage or utilities for Mortgagor's Lots. Mortgagee's right to initiate modifications of the Approved Site Plan only applies in the event Mortgagee has acquired title to all or a portion of the Mortgaged Property through foreclosure, deed-in-lieu of foreclosure or otherwise.

6. Provisions Surviving Foreclosure. The provisions of this Second Amendment and any related provisions contained in the Mortgage shall survive foreclosure or a deed in lieu of foreclosure or other transfer of title and the obligations of Mortgagor and Mortgagee relating thereto shall remain binding and enforceable against Mortgagor and Mortgagee and their respective successors and assigns even after a foreclosure or deed in lieu of foreclosure or other transfer of title has occurred. Mortgagee can record an affidavit of its compliance with any of the requirements of this Second Amendment and the Mortgage and Mortgagor acknowledges that any third party shall have the right to rely upon such affidavit.

7. Default Interest Rate. Any amounts which are required to be paid by the Mortgage when there has been a default by Mortgagor which is not cured within any applicable grace or cure period shall incur interest at 5% per annum above the non-default interest rate applicable to the Note at that time or if after the "Maturity Date" as that term is defined in the Note the non-default interest rate applicable to the Note immediately prior to the Maturity Date.

8. Notices. Any notices required or permitted to be given under this Second Amendment, the Mortgage or the Note shall be in writing and shall be deemed given if delivered by hand, sent by recognized overnight courier (such as Federal Express), transmitted via facsimile transmission or mailed by certified or registered mail, return receipt requested, in a postage pre-paid envelope, and addressed as follows:

As to Mortgagee: Alico-Agri, Ltd.
 c/o Alico, Inc.
 Attn: John R. Alexander, Chairman & CEO
 Mailing Address:
 Post Office Box 338, Labelle, FL 33975
 Physical Address:
 640 S. Main Street, Labelle, FL 33935
 Telephone: 863-675-2966
 Facsimile: 863-675-5799

With a copy to: Alico, Inc.
 Attn: Dan L. Gunter, President
 Mailing Address:
 Post Office Box 338, Labelle, FL 33975
 Physical Address:
 640 S. Main Street, Labelle, FL 33935
 Telephone: 863-675-2966
 Facsimile: 863-675-6928

With a copy to: Ruden McClosky et al.
Attn: John L. Farquhar, Esq.
5150 Tamiami Trail North, Suite 502
Naples, FL 34103
Telephone: 239-659-1100
Facsimile: 954-333-4037

As to Mortgagor: Ginn-LA Naples, Ltd. LLLP
Attn: Edward R. Ginn, III
215 Celebration Place, Suite 200
Celebration, Florida 34747
Telephone: 321-939-4700
Facsimile: 321-939-4800

With a copy to: Bruce A. Wobeck, Esquire
Morris, Manning & Martin, LLP
1600 Atlanta Financial Center
3343 Peachtree Road, N.E.
Atlanta, GA 30326
Telephone: 404-504-7739
Facsimile: 404-365-9532

With a copy to: John G. Morris, Esquire
Morris, Manning & Martin, LLP
1600 Atlanta Financial Center
3343 Peachtree Road, N.E.
Atlanta, GA 30326-1044
Telephone: 404-572-7722
Facsimile: 404-365-9532

With a copy to: Mr. Robert F. Masters
The Ginn Company
One Hammock Beach Parkway
Palm Coast, FL 32137
Telephone: (386) 246-5780
Facsimile: (386) 246-5785

unless the address is changed by the party by like notice given to the other parties. Notice given by hand delivery shall be deemed received on the date delivered if delivered on a business day during business hours, otherwise it shall be deemed delivered on the next business day. Notice given by certified or registered mail, return receipt requested, postage pre-paid, shall be deemed delivered three (3) days following the date mailed. Notice sent by recognized overnight courier (such as Federal Express) shall be deemed received on the next business day. Notices given by facsimile shall be deemed received if sent as confirmed by confirmation of transmission by

telecopier retained by the sender shall be proof of such sending and it shall be deemed received at that time if such time is during business hours on a business day, otherwise it shall be deemed received on the next business day. Any notice refused shall be deemed to be accepted on the earlier of the time frame set forth in this notice provision or when actually refused. Failure to give any of the copies in addition to the primary notice shall not affect the validity of the notice. Counsel may give notice on behalf of the parties.

9. Ratification. Except as expressly set forth in this Second Amendment, the Mortgage remains unmodified and unchanged and the parties hereto ratify and confirm the Mortgage, as amended hereby.

10. Counterparts. This Amendment may be executed in multiple counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument. It shall not be necessary for each party to execute each counterpart, provided that each party shall have signed and delivered at least one such counterpart.

[signatures commence on following page]

Alico Restructures Land Sale Agreements**Receives \$11.1 million cash**

LaBelle, FL, October 24, 2007 — **Alico, Inc. (NASDAQ:ALCO)**, a land management company, announced today that its wholly owned subsidiary, Alico-Agri, Ltd. (the Company) has restructured one of its previously announced agreements with The Ginn Development Companies (Ginn) for the sale of Alico-Agri's property in Lee County, Florida.

The Company has three separate agreements with Ginn. The original contracts were entered into in 2001 and 2003 for approximately 5,609 acres near Florida Gulf Coast University. The total amounts for each contract are: \$62.9 million for the first contract for which the Company holds a note receivable for \$54.5 million; \$63.5 million for the second contract, which is structured as a series of option payments; and \$12.0 million for the third contract, for which the Company holds a note receivable for \$11.4 million.

The first contract, for a sale which closed in July 2005, was restructured to reduce the amount of principal due on September 28, 2007 from \$12.3 million to \$0.4 million; the amount of principal due on September 28, 2008 from \$12.3 million to approximately \$3.5 million; the amount of principal due on September 28, 2009, from \$14.1 million to \$12.0 million; and the amount of principal due on September 28, 2010 from \$15.8 million to \$12.0 million. The restructuring extends the term one year for a balloon payment on September 28, 2011 of approximately \$26.6 million. The note was also revised to set the interest rate retroactively to July, 2005 and base it on LIBOR plus 1.5%. The future payment of all interest outstanding will be made on a quarterly basis for the remaining term of the note based on LIBOR plus increasing percentage increments. The payment terms for the second and third contracts remain unchanged.

The Company has received a payment of \$6.8 million related to the first contract. This payment consisted of \$0.4 million of principal, \$6.1 million of interest and the balance as an expense reimbursement. Additionally, the Company received payment of \$3.6 million for a one year extension on the option contract, and a payment of \$0.7 million for interest due on the third contract.

Alico Chairman and CEO John Alexander stated that he was pleased that the Ginn contracts could be restructured in a mutually acceptable fashion. "Due to complications in the permitting process and an overall slowdown in the real estate market, we are working with Ginn to help them succeed in this project. We continue to be excited about the benefits that the Ginn communities will bring to the Ft. Myers area. We believe that the contractual modifications are mutually beneficial to Ginn and the Alico shareholders."

About Alico, Inc.

Alico, Inc., a land management company operating in Central and Southwest Florida, owns approximately 135,500 acres of land located in Collier, Glades, Hendry, Lee and Polk counties. Alico is involved in various agricultural operations and real estate operations. Alico's mission is to grow its asset values through its agricultural and real estate activities to produce superior long-term returns for its shareholders.

For Further Information Contact:

John R. Alexander
La Belle, Florida
(863) 675-2966

Statements in this press release that are not statements of historical or current fact constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include statements about hopes and beliefs such as the belief that the contract modification is mutually beneficial and involve known and unknown risks, uncertainties and other unknown factors that could cause the actual results of the Company to be materially different from the historical results or from any future results expressed or implied by such forward-looking statements. The forward-looking statements contained herein are also subject generally to other risks and uncertainties that are described from time to time in the Company's reports and registration statements filed with the Securities and Exchange Commission.