

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):
November 2, 2009

Consolidated-Tomoka Land Co.

(Exact name of registrant as specified in its charter)

Florida
(State or other jurisdiction of incorporation)

01-11350
(Commission File Number)

59-0483700
(IRS Employer Identification No.)

1530 Cornerstone Boulevard, Suite 100
Daytona Beach, Florida
(Address of principal executive offices)

32117
(Zip Code)

Registrant's telephone number, including area code: **(386) 274-2202**

Not Applicable
(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 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 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 CFR 240.13e-4(c))

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On October 28, 2009, the Board of Directors (the "Board") of Consolidated-Tomoka Land Co. (the "Company"), following the recommendation of the Compensation and Stock Option Committee (the "Committee") of the Board, amended the Annual Executive Cash Bonus Criteria for the fiscal year ending December 31, 2009 (the "Cash Bonus Plan") that had been adopted and approved by the Board on January 28, 2009.

Modification of the Cash Bonus Plan reflects the following:

- operating losses from self-development projects will be calculated in basic earnings per share ("EPS") and will reduce current EPS and potential bonuses under the Cash Bonus Plan;
- if a participant had received a prior bonus under the Cash Bonus Plan based on an increase in land value, that increased land value would become the new adjusted land basis when determining any subsequent equivalent EPS for bonuses under the Cash Bonus Plan;
- although bonuses are not normally awarded at earnings levels of less than \$1.50 per share, upon recommendation of the Compensation Committee, the Board of Directors, in its discretion, may also award discretionary cash bonuses to participants whose performance is determined to have been outstanding during the plan year or otherwise merits a special one-time cash bonus.
- the Committee reviews CEO recommendations regarding bonuses to be awarded to other participants under the Cash Bonus Plan and makes its recommendations to the Board for final approval. The Committee also recommends to the Board any bonus to be awarded to the CEO under the Cash Bonus Plan; and
- the Board may, upon the recommendation of the Committee, award discretionary cash bonuses under the Cash Bonus Plan to participants whose performance is determined to have been outstanding during the plan year or otherwise merits a special one-time cash bonus.

The description of the revisions to the Cash Bonus Plan contained herein is a summary of the material amendments to the Cash Bonus Plan, does not purport to be complete, and is qualified in its entirety by reference to the Cash Bonus Plan. A copy of the Cash Bonus Plan is attached to this Current Report on Form 8-K as Exhibit 10.1.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

[10.1 Annual Executive Cash Bonus Criteria](#)

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 hereunto duly authorized.

Date: November 2, 2009

Consolidated-Tomoka Land Co.

By: /s/William H. McMunn
William H. McMunn, President and Chief Executive Officer

CONSOLIDATED-TOMOKA LAND CO.
Annual Executive Cash Bonus Plan

The Executive Cash Bonus Plan for Consolidated-Tomoka Land Co. is designed to provide incentive compensation for eligible Company officers and managers, whose participation has been approved by the Compensation Committee of the Board of Directors. To be eligible for the bonus, an officer or manager must be employed as a full-time employee from January 31 through December 31 of the bonus plan year unless otherwise recommended by the Compensation Committee and approved by the Board of Directors. The discretionary award will be based on the overall profitability of the Company and each participant's overall performance in contributing to the profitability of the Company for that given year. Bonuses will be paid no later than March 15 following the end of the preceding bonus plan year.

The Annual Executive Cash Bonus Plan is provided at the discretion of Consolidated-Tomoka Land Co. and its Board of Directors. The Company reserves the right to modify, or terminate the Plan with or without notice.

Prior to 2008, the Company's annual cash bonuses have been based on the Company's after-tax earnings per share ("EPS") in general conformity with the current cash incentive policy attached as Exhibit A. Annual Company revenues were primarily generated from third-party land sales.

Net income from operations, including the sale of property to third parties in any calendar year, were calculated in conformity with U.S. generally accepted accounting principles, as reported in the Company's Annual Report and accompanying Form 10-K, filed with the SEC. Land leases, build-to-suit lease projects, and self-development projects were not part of the calculation.

Beginning in 2008, the Compensation and Stock Option Committee and Board of Directors determined that it was equally important to motivate and reward management for achievements in those three additional areas, which are also a part of the Company's adopted business plan. This revision to the current cash bonus plan is intended to provide an incentive to management to also engage in land leases, build-to-suit lease projects, and self-development projects by providing equivalent cash incentives, which would be realized from third-party land sales and conversion into 1031 income properties.

In order to provide an annual plan that balances executive performance, the Company, for purposes of determining eligibility and potential bonus pool amounts, will now include in the annual executive bonus criteria a one-time per project equivalency calculation that represents the after-tax net income, which would have been recognized on the land portion of any approved land lease, build-to-suit lease, or self-development project occurring in that year had the property instead been sold to a third party at market value. The market value of the unimproved land shall be determined by using the unimproved land value used in the calculation of the land lease or in the build-to-suit lease projects, or in the case of self-development projects the unimproved land value stated in the Board-approved proforma less any costs to date allocated to the unimproved land.

Operating losses from any self-development projects will be calculated in basic EPS and will reduce current EPS and potential bonuses.

Examples of Projects Qualifying for Bonus Eligibility:

Example 1: If land was leased to a third party and the lease payments were based on a value of \$2,000,000, then the calculation would be as follows:

\$2,000,000, less the land's cost basis, less the applicable federal and state tax rate, divided by the average outstanding number of shares during the year.

Example 2: If a build-to-suit lease was based on a value of \$8,000,000 and the land component was \$2,250,000, then the calculation would be as follows:

\$2,250,000 less the land's cost basis, less the applicable federal and state tax rate, divided by the average outstanding number of shares during the year.

Example 3: If the land value used in the Board-approved self-development proforma was \$1,950,000 then the calculation would be as follows:

\$1,950,000 less the land's cost basis, less the applicable federal and state tax rate, divided by the average outstanding number of shares during the year.

If in any of the above examples the participant had received a prior bonus based on an increase in land value, that increased land value would become the new adjusted land basis when determining any subsequent equivalent EPS for bonuses.

Example

The following example illustrates how equivalent earnings per share would be added to basic earnings to determine adjusted EPS for executive bonus calculations:

Basic Earnings per Share in conformity with Generally accepted accounting principles (Includes negative adjustments to EPS from any operating losses attributed to non-performing assets)		\$2.37
Add (Land sales equivalency earnings per share)	\$.19	
Project "A" a third party land lease	\$.21	
Project "B" a build to suit lease back	\$.17	
Project "C" a self development project	\$.57	\$.57
Deduct (the adjusted land value equal to the amount used to calculate any prior bonus payout previously recognized)		
Self-development project sold less previous gain on undeveloped land recognition		-.12
Equivalent earnings per share for eligibility determination and calculation of executive bonus (per exhibit "A") would be:		\$2.82

Adopted: January 28, 2009

REVISED: October 28, 2009

EXHIBIT A

CONSOLIDATED-TOMOKA LAND CO.
Criteria for Cash Bonus Plan

1) The Company's annual cash bonus plan was instituted to reward short-term performance. Awards are currently tied to the Company's Earnings Per Share ("EPS") achievement for the plan year.

2) Bonus payouts are limited as follows:

Chief Executive Officer	up to 200% of base annual salary
Senior VP and Executive Officers	up to 100% of base annual salary
Vice Presidents	up to 75% of base annual salary
Managers designated in the plan	up to 50% of base annual salary

3) Annually, the bonus pool is established based on the target EPS, and is adjusted for the number of employees in the plan at each level.

4) Estimated pay out guidelines as a percentage of employees' base salary are as follows:

EPS	CEO	SR VP	VP	Managers
\$1.50	43%	22%	16-20%	6-20%
\$2.00	52%	27%	20-24%	8-25%
\$2.50	65%	33%	25-30%	10-32%
\$3.00	78%	40%	30-36%	12-38%
\$3.50	94%	48%	36-43%	15-50%
\$4.00	112%	58%	43-52%	18-50%
\$4.50	135%	70%	52-62%	22-50%
\$5.00	162%	84%	62-75%	27-50%
\$5.50	194%	100%	75%	33-50%
\$6.00	200%	100%	75%	40-50%

Bonuses are not normally awarded to participants at earnings levels of less than \$1.50 per share unless the Board determines that an individual participant's contribution was outstanding when compared to industry peers.

5) Actual awards are based on two factors--the Company's EPS achieved for the plan year and the individual participant's performance. The CEO makes recommendations to the Compensation Committee based on each participant's performance, and the Compensation Committee then reviews these recommendations and makes its recommendations to the Board of Directors for final approval. The Compensation Committee makes a recommendation to the Board of Directors for the CEO's bonus based on EPS and individual performance. A participant's actual award may be increased, decreased, or eliminated if, in the judgment of the Compensation Committee, his/her performance or other issues warrant this action. Awards may be pooled and reallocated between two or more participants, and in certain instances awards to an individual participant may be increased above these guidelines.

6) Upon the recommendation of the Compensation Committee, the Board of Directors, in its discretion, may also award discretionary cash bonuses to participants whose performance is determined to have been outstanding during the plan year or otherwise merits a special one-time cash bonus.

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