From:	Bielarski, Edward J
To:	Citycomm
Cc:	Dl_utility Advisory Board; Dl_gru_executiveteam
Subject:	Fwd: Executed GREC/GRU MOU
Date:	Thursday, March 09, 2017 11:38:01 PM
Attachments:	att00001.htm att00002.htm

Mayor, Commissioners and UAB members,

I am in receipt of GREC's revision of the MOU I sent Mr. Gordon last Sunday. I have briefly reviewed the document and will review it with my team, but here is my preliminary read:

GREC wants to sell the entity not assets, which is problematic for GRU.

GREC would now like the previous offer of $ 750 million vs. GRU's new offer of $ 725 million, which goes down to $ 700 million at the close of business tommorrow.

GREC has reduced the exclusivity period to 3 months, which is shorter than the 7 months we have to complete the transaction. This is a math problem, which does not compute.

GREC has converted the interest rate protection at 3.75 percent to an option on GRU 's part to terminate if 30 year US Treasuries rise 100 basis points over the current 3.11 percent. Quite frankly, GRU doesn't value US Treasuries as much as the MMD index which tracks 30 year tax-exempt bond rates on AAA bonds. The 100 basis point spread is too large and it's the wrong index.

GREC has elected not to indemnify the city in any actions taken against the city when the city simply acts on GREC's designation of any information as exempt from sunshine. That's unacceptable.

GREC wants GRU to agree to stop withholding amounts from bills until closing. GRU needs to continue exercise its rights under the PPA.

GREC wants the contract to be governed by the laws of New York. I love New York, but Give me Florida.

Let me remind you that I have not fully reviewed this revised MOU and I will be spending time going over it with staff. However, I still want you all to know what I know.

Ed B

Sent from my iPad

Begin forwarded message:

> **From:** "Jim Gordon" <jgordon@emienergy.com>
> **To:** "Bielarski, Edward J" <BielarskiEJ@gru.com>
> **Subject: Fwd: Executed GREC/GRU MOU**

Begin forwarded message:

From: "Jim Gordon" <jgordon@emienergy.com>
To: "Jim Gordon" <jgordon@emienergy.com>
Subject: Executed GREC/GRU MOU

Ed,

Attached please find an MOU executed by GREC on terms that have been authorized by its board.
Also attached is a version marked to changes from your prior draft.
I'm confident that this MOU would result in a mutually beneficial transaction that would save GRU's ratepayers hundreds of millions of dollars.
I look forward to hearing from you.

Best regards,

Jim