From:	Bielarski, Edward J
To:	Jim Gordon
Cc:	Al Morales; Dennis Duffy; Brown, Thomas R; Locke, Justin M; Shalley, Nicolle M.; Waratuke, Elizabeth A.
Subject:	Sittin in the morning sun...
Date:	Saturday, March 18, 2017 11:39:19 AM
Attachments:	grec - gru mou rev 8.docx

Jim;

Its another week end morning and I'm sitting in my office drinking my coffee watching the morning sun, hearing the lyrics from Otis Redding's hit,"Sitting on the Dock" flash through my head:

Sittin' in the mornin' sun. I'll be sittin when the evenin' come.

I've read our correspondence again and aside from my deeply held belief that my e-mails were exponentially more entertaining than yours, I was struck by how far you and I have come and how close GRU and GREC are to agreeing on an MOU. I'll list each issue:

Type of sale – Agreed
Price- Agreed
Interest rate cap – Agreed
Exclusivity – Agreed
Public Records indemnification – Agreed
Abiding law – Agreed
Expiration – Agreed

If it were any other business relationship I believe we would be done and working towards a definitive contract. Of course GRU and GREC's relationship is more complicated than most and with that complexity comes the need to address potential hurdles and insure a proper understanding. If not, as Otis sings:

Look like nothing's gonna change. Everything still remains the same

The remaining issues are related to how GREC and GRU can "stay" the arbitration during the time we will need to sit down and collaborate and avoid the distractions associated with depositions, interrogatories and hearings. Here's my understanding of those remaining issues. In short;

1. Both GRU and GREC want to be sure that neither one takes advantage of provisions within the PPA during the period we've "stayed" the arbitration and are proceeding in good-faith toward delivering a definitive agreement. In addition, GREC has proposed that GRU no longer withhold additional monies during the process.
2. GRU has asked that in consideration of its position within the arbitration GREC should allow them to retain all withheld monies through the closing. On the other hand GREC has offered a cap of $ 7.2 million on what will be retained at closing.
3. In addition GRU has requested a flat payment of $ 10 million at closing as a settlement of the arbitration. GREC has declined that proposal.

I don't believe these issues are insurmountable. Therefore I propose the following as the solution;

- GRU will agree not to withhold additional amounts after the Execution Date other than amounts that may be withheld with respect to an invoice when payment is due for such invoice in accordance with the PPA, where such withholding is based on either i) one or more of GRU's claims or counterclaims (consistent with prior practice) and ii) any calculation error within the invoice. I believe that this clarification adds value to both GRU and GREC.
- GRU agrees to limit the total amount retained by GRU at Closing to $ 15 million ("Retention Cap"), no matter the level of withholdings, in return for eliminating its request for a payment of $ 10 million at Closing.

I have incorporated these changes into another revision to the MOU, which I have attached. The relative value to GRU and GREC is as follows:

- Arbitration is paused. GRU and GREC can negotiate without distraction and avoid further arbitration expenses and time.
- GRU and GREC will maintain its rights under the PPA.
- The "blank check" and "carte blanche" arguments are substantially mitigated.
- The $ 750 million purchase price is the purchase price.

Finally, let me address a few concerns, which you expressed in your March 16th response as well as a phone conversation we had during that day. Any belief your Board has that I feel conflicted or that I am not sure that I want to transact a fair and durable deal is wholly without merit. In fact, I have specifically included a resolution to the current arbitration (which I don't need to remind you GREC brought against GRU) within this negotiation in what seems to be a unilateral attempt to make this a fair and durable deal.

The idea that I also am trying to maintain and exercise "undue leverage" is also without merit and completely ignores my efforts to settle an arbitration which could be a distraction to negotiating a definitive agreement.

Jim, I know that you've negotiated a lot of deals and made a fair amount of money. However, let me offer you a piece of advice. I don't appreciate your attempts (whether on the part of the Board or yourself) to pronounce that I have these ulterior motives to my actions which will destine us to ultimately unravel an acquisition. That strategy may have intimidated others but it won't intimidate me. Take a moment to read Proverbs 27:17, in which is written "As Iron sharpens iron, so one man sharpens another." Quite frankly, you're above bush league tactics and I respect you too much to believe what was written in the e-mail was intentional on your part.

It is exactly at this point of every deal that I have ever done that both parties have to take a deep breath and consider the options available and how they can complete the deal with the promise it can close. Some folks wilt and agree to anything, which in my experience doesn't bode well to the development of a definitive agreement. Some folks will draw a line in the sand and never cross it, which again in my experience sets both parties on the wrong path. Then there are some folks who truly understand the economic, political and social justice of the deal. I think you are one of those guys. Prove me right, and make me believe Otis was wrong when he sang:

Now, I'm just gonna sit at the dock of the bay, watching the tide roll away. Oooo-wee, sittin' on the dock of the bay, wastin' time

Edward Bielarski Jr
General Manager
Gainesville Regional Utilities