

AMERICAN ARBITRATION ASSOCIATION

THE CITY OF GAINESVILLE, FLORIDA, d/b/a
GAINESVILLE REGIONAL UTILITIES,

v.

GAINESVILLE RENEWABLE ENERGY
CENTER, LLC, AMERICAN RENEWABLES,
LLC, TYR ENERGY, LLC, TYR ENERGY,
INC., ENERGY MANAGEMENT, INC.,
BAYCORP HOLDINGS LTD., STARWOOD
ENERGY GROUP GLOBAL, LLC, STARWOOD
ENERGY GROUP GLOBAL, INC., RON
FAGEN, DIANE FAGEN, AND JOHN DOES
NOS. 1-25.

ICDR Case No. 50 198 T 00953 12

**AFFIDAVIT OF JOHN ANSBRO IN OPPOSITION TO
REQUEST FOR DISMISSAL BY RESPONDENT
GAINESVILLE RENEWABLE ENERGY CENTER LLC**

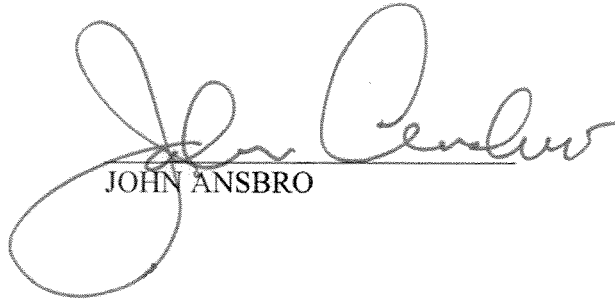
STATE OF NEW YORK)
)
COUNTY OF NEW YORK)

John Ansbro, being first duly sworn, states under penalty of perjury as follows:

1. I am a Partner in the law firm of Orrick, Herrington & Sutcliffe, LLP, counsel for Claimant The City of Gainesville, Florida d/b/a/ Gainesville Regional Utilities (“GRU”) in this arbitration. I am fully familiar with the facts and circumstances of this case. I respectfully submit this affidavit to place before the Arbitrator certain documents in support of GRU’s Opposition to Request for Dismissal by Respondent Gainesville Renewable Energy Center LLC (“GREC”).

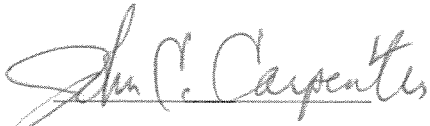
2. Attached hereto as Exhibit 1 is copy of an article from The Gainesville Sun, dated January 17, 2012, entitled Part Owner of Biomass Plant Sells 40% Stake.

3. Attached hereto as Exhibit 2 is a copy of GREC's press release, dated June 30, 2011, entitled Gainesville Biomass Plant Completes Construction Financing.



JOHN ANSBRO

Sworn to before me this
1st day of July 2013



(Notary Public)

JOHN C. CARPENTER
Notary Public, State of New York
No. 01CA6108624
Qualified in Kings County
Commission Expires April 19, 20 16

EXHIBIT 1



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Part owner of biomass plant sells 40% stake

By Chad Smith

Staff writer

Published: Tuesday, January 17, 2012 at 7:08 p.m.

Tyr Energy, one of four part owners of the Gainesville Renewable Energy Center, sold its 40 percent stake in the forthcoming 100-megawatt biomass plant to an energy-investment firm last month, though officials said the sale didn't change the city's contract with the facility.

Starwood Energy Group Global, based in Greenwich, Conn., took over Tyr's share of the company on Dec. 30, according to an announcement made Tuesday, and also recently invested in a 75-megawatt biomass project in Berlin, N.H.

In 2009, the Gainesville City Commission approved a 30-year contract with American Renewables, now doing business here as GREC LLC, to purchase the energy produced at the plant, which will be fueled by burning wood waste.

Construction began in March 2011, and the group of owners at the time — Tyr; Energy Management Inc., of Boston; Ron Fagen, who owns the Minnesota construction company building the plant; and BayCorp Holdings, of Portsmouth, N.H. — secured financing for the \$500 million project in June.

Josh Levine, the GREC project manager, said Tuesday that Tyr, based in Kansas, made some investments in 2011 that didn't fare well and one thing of value it had to sell was its stake in the plant.

The sale had no impact on the rest of the owners, which all own roughly 20 percent of the plant, or the deal with the city, Levine said.

"It changes absolutely nothing at all with the contract," he said.

Gainesville Regional Utilities spokeswoman Kim Jamerson said the utility believed there was "no anticipated impact" from the sale but added that the GRU's attorney was reviewing paperwork to be sure.

"We wouldn't be doing our due diligence if we didn't look into to it to confirm that," Jamerson said.

Levine said he had been reading statements from candidates vying for two open City Commission seats in the Jan. 31 election regarding the biomass deal, including financing and construction matter, and said the issue was being raised for political reasons, not because of the "merits of the project."

"The project is full-steam ahead, and the notion that I have seen some candidates make — that major construction has not begun — is just a misnomer and is a flat out lie," he said.

Starwood Energy, a subsidiary of Starwood Capital Group, has stakes in natural-gas plants and solar arrays across the country and feels biomass is a lucrative venture in the South.

"In certain parts of the country, most notably in the Southeast and Northeast, biomass projects provide a cost-effective, sustainable and renewable generation resource. Therefore, Starwood is keenly interested in this asset class," the company said in a statement in response to questions from The Sun.

In a news release, Starwood Energy's vice president, Himanshu Saxena, said: "We are very excited to be a part of this important project and the impressive ownership group. This represents our second investment in a biomass power facility in the last four months and allowed us to capitalize on our expertise to complete the acquisition in a short time frame."

Contact Chad Smith at 338-3104 or chad.smith@gvillesun.com.

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EXHIBIT 2

GAINESVILLE BIOMASS PLANT COMPLETES CONSTRUCTION FINANCING

FOR IMMEDIATE RELEASE

June 30, 2011

CONTACT

Albert Morales, Chief Financial Officer
Gainesville Renewable Energy Center
(603) 767-1297

The Gainesville Renewable Energy Center (GREC), a 100-megawatt (MW) biomass power plant located in Gainesville, Florida, has successfully raised nearly \$500 million in construction financing. Construction of the plant began in March 2011; completion of this financing allows the project to remain on schedule, with operations expected to commence in late 2013. The successful development of GREC follows that of Nacogdoches Power, a nearly identical 100-MW biomass project located in east Texas, which was developed by the same sponsor team and sold to Southern Power late in 2009.

The non-recourse debt financing is being provided by the Bank of Tokyo-Mitsubishi UFJ, Ltd, New York Branch, as Coordinating Lead Arranger, as well as Natixis, Rabobank Nederland, ING Capital, Crédit Agricole, and Société Générale. Equity is being provided by the parties involved in the development of GREC (Energy Management, Inc., BayCorp Holdings Ltd., and Tyr Energy Inc.), as well as by certain principals of Fagen, Inc., the contractor building the facility. Christopher Smith acted as financial advisor to the project; Cadwalader, Wickersham & Taft acted as counsel to the borrower; and Chadbourne & Parke acted as tax counsel to the borrower.

“Completion of construction financing allows GREC to move forward without delay, ensuring that the Gainesville community will receive the many environmental and economic benefits of this renewable energy facility,” said Jim Gordon, President of GREC LLC.

GREC LLC has a 30-year contract with Gainesville Regional Utilities (GRU) to sell all of the electricity from the facility to the utility. Pursuant to the power purchase agreement, GREC LLC will provide notice to GRU that construction on the facility has officially begun. The 100-megawatt biomass plant will be fueled by clean wood waste that includes the tops and limbs from harvested trees, urban wood waste from landscaping contractors and power line/roadway clearance contractors and residue from lumber mill operations. Power generated from the biomass plant will provide electricity for 70,000 homes.

Fagen, Inc., one of the largest green energy design-builders in the U.S., is the EPC contractor responsible for all engineering, procurement and construction activities of the project. Fagen, Inc., is also the EPC contractor for the Nacogdoches Power project. Metso Power, a global leader in fluidized bed boilers, is providing and erecting the boiler island for GREC; NAES Corporation, the leading independent services provider for energy markets, will provide operations and maintenance services to the project; and BioResource Management,

Inc., a leading biomass management firm with offices in Gainesville, will oversee fuel procurement activities. In addition, Wood Resource Recovery, also located in Gainesville and one of the largest waste wood recyclers in Florida, will provide a significant portion of the facility's fuel supply.

Mr. Gordon concluded, "We greatly appreciate all of the tremendous support that GRU and the City of Gainesville have provided during the permitting and financing processes. In addition, we have a huge group of supporters to thank for helping us reach this significant milestone." Organizations that have endorsed the project include the Florida Municipal Electric Association, Florida Wildlife Federation, Southern Alliance for Clean Energy, Florida Forestry Association, Gainesville Area Chamber of Commerce, Florida Farm Bureau and the Alachua County legislative delegation.

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About the Gainesville Renewable Energy Center (GREC)

GREC is a 100-MW biomass power facility located in Gainesville, Florida, which when operational will supply enough renewable power for approximately 70,000 homes. GREC has a 30-year contract with Gainesville Regional Utilities (GRU) to sell electricity to the utility. The biomass facility will bring significant benefits to GRU and its customers. Biomass energy supplements GRU's and the City of Gainesville's renewable energy portfolio, which includes solar power and an aggressive conservation program. GREC will also meet GRU's need for improved reliability, increased fuel diversity and long-term cost savings for customers. GREC will also bring numerous jobs to the community. More than 700 direct and indirect permanent jobs will be created throughout the region as a result of GREC.

(www.gainesvillebiomass.com)

About Gainesville Regional Utilities

GRU is a community-owned, multi-service utility located in Gainesville, Florida, providing electric, natural gas, water, wastewater and telecommunications services to approximately 93,000 retail and wholesale customers. GRU's combined services make it the most comprehensive utility service provider in the state. GRU is Florida's leading utility in establishing long-term energy efficiency goals and in helping its customers reduce energy consumption. GRU was recently named the top U.S. public utility by the American Public Power Association. (www.gru.com)