



May 5, 2016

VIA FACSIMILE, PRIORITY MAIL AND E-MAIL

Gainesville Regional Utilities  
301 S.E. 4th Avenue  
Gainesville, FL 32614-7117  
Attention: Edward J. Bielarski, Jr., General Manager  
Facsimile: (352) 334-2277  
Email: BielarskiEJ@gru.com

with a copy to:

Winston & Strawn LLP  
101 California Street  
San Francisco, CA 94111  
Attention: Lisa A. Cottle, Partner  
Facsimile: (415) 591-1400  
Email: lcottle@winston.com

with a copy to:

Gainesville Renewable Energy Center, LLC  
20 Park Plaza, Suite 320  
Boston, MA 02116  
Attention: Jim Gordon, President  
Facsimile: (617) 904-3109  
Email: jgordon@emienergy.com

**RE: Notice of Seller Event of Default**

Dear Mr. Bielarski:

Reference is made to (i) that certain Credit Agreement, dated as of June 30, 2011, by and among Gainesville Renewable Energy Center, LLC (“GREC”), The Bank of Tokyo-Mitsubishi UFJ, Ltd, as Administrative Agent, MUFG Union Bank, N.A., as Collateral Agent (in such capacity, together with its successors and assigns, the “Collateral Agent”), the lenders and issuing banks party thereto from time to time (collectively, the “Lenders”) and the other agents and parties thereto from time to time (as amended, supplemented or otherwise modified from time to time, the “Credit Agreement”), (ii) that certain Power Purchase Agreement for the Supply of Dependable Capacity, Energy and Environmental Attributes from a Biomass-Fired Power

Production Facility, by and between GREC and The City of Gainesville, Florida d/b/a Gainesville Regional Utilities (“GRU”), dated as of April 29, 2009 (as amended, supplemented or otherwise modified from time to time, the “PPA”), (iii) that certain Consent and Agreement, dated as of June 30, 2011, by and among GREC, GRU and the Collateral Agent (as amended, supplemented or otherwise modified from time to time, the “PPA Consent”) and (iv) that certain notice letter from GRU’s counsel to the Collateral Agent, dated March 31, 2016 (the “Notice Letter”).

We are in receipt of the Notice Letter, which describes an alleged Seller Event of Default (as defined in the PPA) related to the alleged non-performance by GREC of certain Planned Maintenance (as defined in the PPA) in 2016 (the “2016 Maintenance”) (the “Alleged Default”). We understand that the Alleged Default is currently the subject of arbitral proceedings between GREC and GRU, which will determine, *inter alia*, whether the terms of the PPA required GREC to perform the 2016 Maintenance and whether as a result of GREC’s alleged non-performance thereof, the Alleged Default actually constitutes a Seller Event of Default under the PPA.

Given that the existence of a Seller Event of Default arising from the Alleged Default is currently the subject of an arbitral proceeding, GRU is not in a position to unilaterally determine that GREC is in default under Section 10.4.1(a) of the PPA, that a Seller Event of Default occurred on March 30, 2016 and that GRU has the right to terminate the PPA pursuant to Section 25.2 thereof on the basis of the Alleged Default.

We further note that, pursuant to the terms of Section 24.3 of the PPA, both GREC and GRU are required to continue performing their obligations under the PPA (including, for the avoidance of doubt, payment of any amounts duly invoiced thereunder) during the pendency of any controversy, dispute or claim arising out of or relating to the PPA.

This letter serves as an acknowledgment of receipt of the Notice Letter and we expressly reserve all rights under the Financing Documents (as defined in the PPA Consent), the PPA, the PPA Consent, at law and in equity against GRU, GREC and any other party in respect of the Alleged Default, including the right to foreclose on the collateral granted to the Collateral Agent pursuant to the Financing Documents, which includes GREC’s rights under the PPA.

Please continue to provide us with copies of all notices as required by Section 4(c) of the PPA Consent.

Sincerely,



MUFG Union Bank, N.A.,  
as Collateral Agent

cc: Andrew Phelan, Morgan Lewis  
Siobhan Mee, Morgan Lewis