

# **EXHIBIT R21**

## Baxley, Robin L.

---

**From:** Brown, Thomas R  
**Sent:** Wednesday, March 30, 2016 9:01 AM  
**To:** Bielarski, Edward J  
**Subject:** Fwd: Scheduling communication under Section 5.11 of the Operating Procedures

Sent from my iPhone

Begin forwarded message:

**From:** "[Russell.Abel@grecbiomass.com](mailto:Russell.Abel@grecbiomass.com)" <[Russell.Abel@grecbiomass.com](mailto:Russell.Abel@grecbiomass.com)>  
**To:** "Brown, Thomas R" <[BrownTR@gru.com](mailto:BrownTR@gru.com)>  
**Cc:** "Demopoulos, George" <[DemopouloG1@gru.com](mailto:DemopouloG1@gru.com)>, "De Leo, Dino S" <[DeLeoDS@gru.com](mailto:DeLeoDS@gru.com)>, "Al Morales ([AMorales@emienergy.com](mailto:AMorales@emienergy.com))" <[AMorales@emienergy.com](mailto:AMorales@emienergy.com)>, "Len Fagan ([lenfagan@emienergy.com](mailto:lenfagan@emienergy.com))" <[lenfagan@emienergy.com](mailto:lenfagan@emienergy.com)>  
**Subject:** Scheduling communication under Section 5.11 of the Operating Procedures

Pursuant to Section 5.11 of the Operating Procedures, GREC is currently not requesting a scheduled outage period within calendar year 2016. This communication maintains the same forecast as provided in the "written annual maintenance plan containing its forecast of Planned Maintenance" that GREC submitted pursuant to Section 10.4.1(a) of the PPA on October 14, 2015. Circumstances have not changed since that forecast. This is a non-binding notification provided in good faith based on GREC's currently-forecasted planned maintenance schedule for the designated period. It is being provided for general long-range forecasting and planning purposes, consistent with good utility practice. As you know, forecasts such as this seek to project anticipated actions that are far in the future and subject to change based on future developments, including, for example, changes in operational scheduling or other actions by GRU, unexpected actual operating hours, maintenance outage work completed, and the results of inspections performed. GREC will continue to communicate with GRU in good faith concerning any updates.

Regards,  
Russell Abel

**Russell H. Abel, P.E.** | Plant Manager  
NAES Corporation  
Gainesville Renewable Energy Center  
NAES Corporation  
11201 NW 13<sup>th</sup> St  
Gainesville, FL 32653  
Phone 386.315.8014  
Email [russell.abel@grecbiomass.com](mailto:russell.abel@grecbiomass.com)  
[www.naes.com](http://www.naes.com)

[www.gainesvillebiomass.com](http://www.gainesvillebiomass.com)



# **EXHIBIT R22**

March 31, 2016

VIA FACSIMILE AND PRIORITY MAIL

Union Bank, N.A.  
Attention: Hugo Gindraux  
1251 Avenue of the Americas, 19th Fl.  
New York, NY 10020  
Facsimile: (646) 452-2000

**LISA A. COTTLE**  
PARTNER  
(415) 591-1579  
lcottle@winston.com

**Re: Notice of Seller Event of Default, Provided Pursuant to Section 4  
of the Consent and Agreement**

Dear Mr. Gindraux:

We represent the City of Gainesville, Florida d/b/a Gainesville Regional Utilities (“GRU”) with respect to the Power Purchase Agreement for the Supply of Dependable Capacity, Energy and Environmental Attributes from a Biomass-Fired Power Production Facility (“PPA”) between GRU and Gainesville Renewable Energy Center, LLC (“GREC”). Pursuant section 4(c) of the Consent and Agreement (“Consent”) between GRU, GREC, and UNION BANK N.A. as collateral agent for the Lenders (“Collateral Agent”), GRU hereby provides Notice to Collateral Agent of a Seller Event of Default under the PPA.

GREC is the “Seller” as defined in the PPA. Section 25.1.1 of the PPA provides that a Seller Event of Default occurs when:

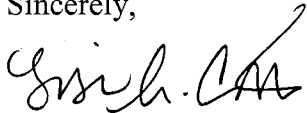
Seller defaults in any material respect in the observance or performance of any material obligation hereunder, including, but not limited to, failure to make a payment when due, failure by Seller to provide adequate security, or breach by Seller of a representation or warranty, and Seller has not cured such default within thirty (30) days after written notice from Purchaser specifying the default and demanding that the same be remedied; provided that if Seller has commenced reasonable efforts to cure the default within such thirty (30) days (and the default is such that it could reasonably be expected to be possible to cure) and continues to diligently pursue those efforts, then Seller shall have an additional thirty (30) days in which to cure the default.

GREC is in default under section 10.4.1(a) of the PPA as a result of (i) GREC’s unilateral cancellation of the written annual maintenance plan that was agreed to in June 2015, which provided for GREC to perform Planned Maintenance at the Facility as required by the PPA during the period from April 9<sup>th</sup> through April 29<sup>th</sup>, 2016, and (ii) GREC’s stated refusal to perform Planned Maintenance in 2016. On February 29, 2016, GRU provided GREC with

written notice of that default. A copy of that notice is attached and is hereby provided to Collateral Agent in accordance with Section 4(c) of the Consent. Thirty (30) days have elapsed since that notice, during which time GREC has repeated its intention not to perform Planned Maintenance in 2016. GREC thus has failed to cure the default or to commence reasonable efforts to cure the default. As a result, a Seller Event of Default occurred on March 30, 2016.

Pursuant to section 4(b) of the Consent, Collateral Agent has sixty (60) days to cure the Seller Event of Default provided that Collateral Agent commences good faith efforts to cure such Seller Event of Default within thirty (30) days of this notice. In the event that the Seller Event of Default is not cured in the time prescribed, GRU intends to pursue its remedies under section 25.2 of the PPA and applicable law, which may include termination of the PPA.

Sincerely,



Lisa A. Cottle

*Enclosure*

cc: Ed Bielariski, General Manager, GRU  
James Gordon, President, GREC  
Shayla McNeill, Utilities Attorney, GRU  
Lisa Cottle, Winston & Strawn  
Andrew Phelan, Morgan Lewis  
Siobhan Mee, Morgan Lewis

February 29, 2016

VIA FACSIMILE AND E-MAIL

Gainesville Renewable Energy Center, LLC  
Attention: Mr. James Gordon  
20 Park Plaza, Suite 320  
Boston, MA 02116

Re: Response to GREC's Dispute Resolution Notice, dated February 17, 2016, pursuant to Section 24 of the Power Purchase Agreement

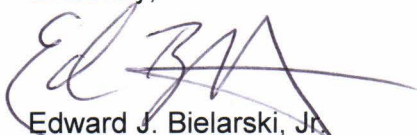
Dear Mr. Gordon,

Pursuant to the Power Purchase Agreement ("PPA") between the City of Gainesville d/b/a Gainesville Regional Utilities ("GRU") and Gainesville Renewable Energy Center, LLC ("GREC"), GRU has reviewed GREC's above-referenced claim of GRU's anticipatory breach. Upon review, GREC has no basis to assert a claim against GRU of anticipatory breach. In fact, GREC's current position not to perform planned maintenance on the plant would be a breach of GREC's obligations to perform planned maintenance pursuant to Section 10.4.1(a) of the PPA.

Pursuant to Section 10.4.1(a) of the PPA, GRU expects GREC to perform planned maintenance on the plant in accordance with its 2016 written planned maintenance schedule agreed upon between GREC and GRU on June 18, 2015. Pursuant to Section 10.4.1(a), "Any and all changes" to the 2016 written planned maintenance schedule "shall be mutually agreeable" to GREC, GRU, and to FRCC, and shall be in writing.

GRU expects GREC to either adhere to the 2016 planned maintenance schedule by performing such annual maintenance from April 9 to April 29, 2016, or GRU will consider GREC in breach of GREC's obligations pursuant to Section 10.4.1(a) of the PPA.

Sincerely,

  
Edward J. Bielarski, Jr.  
General Manager for Utilities

xc: Len Fagan, VP Engineering & Construction, EMI  
Al Morales, Chief Financial Officer, EMI  
Stuart Sohn, Controller, EMI  
Gainesville City Commission  
GRU Executive Staff

# **EXHIBIT R23**

April 11, 2016

Edward J. Bielarski, Jr., General Manager  
Gainesville Regional Utilities  
301 S.E. 4th Avenue  
Gainesville, FL 32614-7117

**Re: GRU Default Notice and AAA Filing**

Dear Ed:

This letter responds to the notice of an alleged Seller Event of Default that GRU sent to the Collateral Agent on March 31, 2016 ("Notice"). The Notice contains statements unsupported by fact or the PPA and that are damaging to GREC's financial relationships and financial position. GREC demands that GRU immediately retract that Notice and hereby puts GRU on notice that it will hold GRU responsible for any harm caused by the Notice, including its statement concerning termination of the PPA.

In accordance with the PPA, GREC recently filed for arbitration to resolve the limited payment/scheduling dispute with GRU concerning an unnecessary Planned Maintenance outage. GREC properly followed the process under Section 24 of the PPA to submit that dispute for resolution by the AAA. GRU's Notice and AAA filing responded with material mischaracterizations of GREC's maintenance activities and intentions, a baseless allegation of a Seller Event of Default, and a harmful statement concerning termination of the PPA. GRU's escalating actions are an irresponsible effort to transform a limited payment/scheduling dispute regarding a 3-week period into a pre-textual effort to terminate the 30-year PPA that was extensively negotiated between the parties and under which GREC assumed substantial risk and invested hundreds of millions of dollars to design, build, operate and maintain the 102.5 megawatt Facility in Gainesville.

The GRU Notice mischaracterized GREC's October 2015 letter to suggest that GREC is not conducting required maintenance on an ongoing basis and that it has refused to conduct an outage to perform Planned Maintenance in 2016. This is not true. GREC's October 2015 letter stated:

Given the current dispatch scenario of remaining in reserve shutdown, GREC plans no Maintenance or Planned outages in 2016. However, if the dispatch scenario changes and GREC is called upon to run for some time prior to April 2016, a Maintenance Outage may be needed to meet Good Utility Practice. If that does occur, GREC will notify GRU of any intent to perform such outage.

GREC's October 2015 letter stated that it was not then planning an outage in 2016 because the Facility was not forecast to run enough to require a Planned Maintenance outage because no maintenance was



needed that would require an outage. GREC also made clear, however, that it would take an outage if GRU were to run the Facility such that maintenance would be needed that required an outage. As you clearly know, however, since October 2015, GRU has kept the Facility in reserve shutdown, so nothing has changed to require a maintenance outage. The GRU Notice and AAA filing were also misleading in suggesting that GREC has not performed or will not perform required maintenance on an ongoing basis.

GREC has not committed any default that would support GRU's assertion to GREC's lenders of a right to "terminate" the PPA. The statement concerning termination appears intended to interfere with GREC's lending relationships and with GREC's ability to refinance the project loans. GREC has never repudiated the PPA, nor has GREC engaged in any act that can reasonably be construed as a material breach.

There simply is no good faith basis for GRU to threaten termination of the PPA. To be clear, GREC will continue to comply with all provisions of the PPA, including during the April 9 to April 29 period when GREC will conduct all requisite preventative maintenance (none of which requires an outage to perform), and intends to maintain the Facility fully available for dispatch. The current dispute is simply one of billing; the question is whether, during those 21 days the already-off-line Facility (due to GRU's operating instructions) should be treated, for billing purposes, as having provided Available Energy (in reserve shutdown) or not (in outage). The arbitrator will make that contractual determination at a later date, with which determination GREC intends to abide.

It is unfortunate that GRU continues to escalate its efforts to create an adversarial relationship with GREC. GREC remains committed to provide reliable capacity and energy to GRU and its customers. GREC demands that GRU immediately retract the Notice and all statements concerning termination of the PPA. If GRU fails to do so, GREC will pursue all damages caused by GRU's actions, including any financial damages caused by GRU's interference with GREC's financing.

Sincerely,



Jim Gordon

Cc: Gainesville City Commission  
Al Morales

# **EXHIBIT R24**

April 18, 2016

Edward J. Bielarski, Jr., General Manager  
Gainesville Regional Utilities  
301 S.E. 4th Avenue  
Gainesville, FL 32614-7117

**Re: GRU Default Notice and Termination Threat**

Dear Ed:

This letter responds further to the notice of an alleged Seller Event of Default that GRU sent to the GREC Collateral Agent on March 31, 2016 ("Notice"). GREC sent GRU a letter dated April 11 that explained that GRU's default allegation and threat to terminate the Power Purchase Agreement are baseless. That letter also demanded that GRU retract the Notice and cease its interference with GREC's existing and prospective lending relationships and, as a result, its ability to refinance project loans. To date, GRU has ignored GREC's request.

GREC has now been informed by the financial advisor assisting GREC with its refinancing efforts that GRU's Notice and termination threat prevent GREC's refinancing efforts from proceeding. GRU's effort to escalate a narrow payment/outage-scheduling dispute into a pretextual threat to terminate the PPA is causing, and will continue to cause, actual and substantial economic harm to GREC.

You must realize that GRU's efforts here to exert improper leverage on GREC expose GRU and the City to millions of dollars in damages by preventing GREC from refinancing hundreds of millions of dollars in project loans that were obtained to design, engineer, construct, and operate the GREC Facility. If GRU does not immediately withdraw its Notice and termination threat, GREC will enforce its rights against GRU and any other party responsible for the damage caused to GREC.

GREC looks forward to your prompt response and reserves all its rights under the PPA and the law.

Sincerely,



Jim Gordon

Cc: Gainesville City Commission  
Al Morales

# **EXHIBIT R25**

April 25, 2016

VIA ELECTRONIC AND PRIORITY MAIL

Andrew C. Phelan  
Siobhan E. Mee  
Morgan, Lewis & Bockius LLP  
One Federal Street  
Boston, MA 02110-1726

**Re: Response to April 11, 2016 and April 18, 2016 Letters to Edward J. Bielarski, Jr.,  
General Manager**

Dear Mr. Phelan and Ms. Mee:

We write on behalf of our client, the City of Gainesville, Florida d/b/a Gainesville Regional Utilities (“GRU”) in response to two letters from Jim Gordon of Gainesville Renewable Energy Center, LLC (“GREC”) dated April 11, 2016 and April 18, 2016 and addressed to Edward J. Bielarski, Jr., General Manager of GRU (the “April 11 Letter,” the “April 18 Letter,” and collectively the “Letters”). The Letters present unfounded allegations regarding GRU’s notice of a Seller Event of Default<sup>1</sup> sent on March 31, 2015 pursuant to section 4(c) of the Consent and Agreement (“Consent”) between GRU, GREC, and Union Bank N.A. as Collateral Agent (“Notice”). GRU respectfully denies the allegations presented in the Letters and declines to retract its Notice. We take this opportunity to address several of the Letters’ inaccuracies in order to clarify the record concerning the ongoing dispute between GRU and GREC. This initial response shall not limit GRU’s rights to take further actions regarding the Letters, and is provided with all of GRU’s rights expressly reserved.

First, the April 11 Letter incorrectly alleges that the Notice contains “statements unsupported by fact or the PPA,” “material mischaracterizations,” and “a baseless allegation of a Seller Event of Default.” This is not true. The PPA requires GREC to conduct maintenance at the Facility each year to ensure the Facility’s reliable long-term and safe operation (defined in the PPA as “Planned Maintenance”). GREC is in default under Section 10.4.1 of the PPA due to (i) GREC’s unilateral cancellation of the written annual maintenance plan that was agreed to in June 2015, which provided for GREC to perform Planned Maintenance at the Facility as required by the PPA during the period from April 9<sup>th</sup> through April 29<sup>th</sup> 2016, and (ii) GREC’s stated refusal to perform Planned Maintenance in 2016. Because GREC failed to cure this default within the time specified in Section 25.1.1 of the PPA, a Seller Event of Default has occurred and is presently

---

<sup>1</sup> Except as otherwise specified herein, initially capitalized terms in this response have the meanings assigned in the Power Purchase Agreement for the Supply of Dependable Capacity, Energy and Environmental Attributes from a Biomass-Fired Power Production Facility between GRU and GREC (“PPA”).

continuing. GRU is entitled to exercise its rights and remedies under the PPA, and is presently pursuing those through the pending arbitration.

Second, the Letters assert that GRU is making an “irresponsible” and “pre-textual” effort to terminate the PPA, but this is also not accurate. Under the PPA and applicable law, GRU’s remedies in respect of GREC’s material breach and Seller Event of Default clearly include the right to terminate the PPA. GRU’s statements that it intends to pursue all available remedies, including termination, are consistent with the PPA and applicable law.

Third, the April 11 Letter wrongly accuses GRU of attempting “to interfere with GREC’s lending relationships and with GREC’s ability to refinance the project loans.” To the contrary, GRU merely complied with its contractual obligations under the Consent. Once GRU notified GREC of GREC’s material breach and Seller Event of Default under the PPA, GRU was required by the Consent to provide the Notice to the Collateral Agent. The Consent also states that GRU must afford the Collateral Agent or its designee an opportunity to cure the Seller Event of Default before exercising GRU’s right of termination. The Notice appropriately referenced that requirement. GRU provided the Notice in accordance with the plain terms of the Consent and not for any improper purpose.

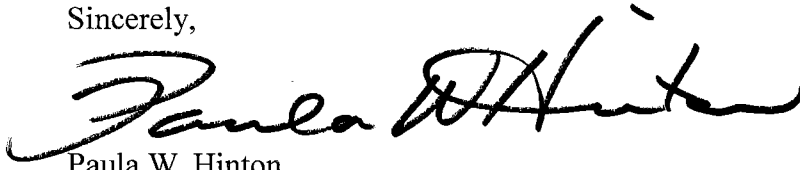
Fourth, the April 11 Letter alleges that GRU has acted in bad faith by claiming that “[t]here simply is no good faith basis for GRU to threaten termination of the PPA.” This also is not accurate. GRU is exercising its rights in response to GREC’s unilateral cancellation of the written annual maintenance plan agreed to in June 2015 and GREC’s stated refusal to perform Planned Maintenance in 2016. GREC’s actions constitute a material breach and a Seller Event of Default, and GRU provided Notice of the same to the Collateral Agent pursuant to the plain terms of the Consent. These actions were not taken in bad faith, but rather reflect GRU’s continued adherence to its contractual duties.

Fifth, the April 11 Letter accuses GRU of mischaracterizing GREC’s statements, and asserts that GREC has conducted or will conduct “all requisite preventative maintenance” at the Facility. GREC’s statements regarding unidentified “maintenance” further confirm that GREC is not complying with the PPA’s requirement for annual Planned Maintenance, which has a specified meaning. GREC’s statements regarding ongoing and unannounced maintenance work also raise serious concerns regarding the Facility’s actual availability and capability to produce Energy while the unannounced work was or is being conducted. GRU intends to investigate this matter further and reserves its rights to dispute invoices and withhold payment for any such Billing Periods at issue.

Finally, both Letters incorrectly assert that GRU is liable for GREC’s “financial damages” associated with its refinancing efforts. Any financial harm suffered by GREC is the direct result of GREC’s material breach of the PPA, and as such, GRU denies that it may properly be held responsible for the foreseeable results of GREC’s actions. Further, GREC’s statements are contrary to Article 26 of the PPA and its clear limitation of liability.

For these reasons and those set forth in GRU's Response and Counterclaims to GREC Arbitration Demand, GRU will not retract its Notice.

Sincerely,

A handwritten signature in black ink, appearing to read "Paula W. Hinton". The signature is fluid and cursive, with the first name being the most prominent.

Paula W. Hinton

cc: Nicolle Shalley, City Attorney, Gainesville, Florida  
Shayla McNeill, Utilities Attorney, GRU  
Lisa Cottle, Winston & Strawn