

**MEMORANDUM OF UNDERSTANDING  
REGARDING GAINESVILLE RENEWABLE ENERGY CENTER FACILITY**

This **MEMORANDUM OF UNDERSTANDING REGARDING GAINESVILLE RENEWABLE ENERGY CENTER FACILITY** ("Memorandum") dated April 24, 2017 ("Execution Date") between the City of Gainesville, Florida, a municipal corporation, d/b/a Gainesville Regional Utilities ("GRU") and Gainesville Renewable Energy Center, LLC, a Delaware limited liability company ("GREC" and collectively with GRU, the "Parties" and each, a "Party") sets forth the principal elements of an offer from GRU for the proposed purchase by GRU and sale by GREC of that certain biomass electricity generating facility that is owned by GREC, located in the City of Gainesville, Florida, and known as the Gainesville Renewable Energy Center (the "Facility"). If executed by both parties, this Memorandum evidences the Parties' intent to cooperate in good faith to negotiate a definitive agreement (the "Purchase and Sale Agreement") providing for the purchase by GRU and sale by GREC of the Facility and all related assets, as identified in such agreement (the "Transaction"). If executed by both parties, this Memorandum constitutes a statement of mutual interest and does not result in any legally binding obligations, except for Sections 5, 6, 8 and 9 below, which shall be binding on the Parties. Subject to the foregoing, GRU offers to negotiate a mutually acceptable definitive agreement for the Transaction that includes the following terms:

1. Purchase and Sale. The Transaction will provide for the sale and conveyance to GRU (free and clear of all liens and encumbrances of any nature whatsoever) of the Facility and all assets, contracts, property, and rights that are part of the Facility or necessary for the ownership, operation or maintenance of the Facility (collectively, "Assets"), to be identified and agreed to by the Parties in the Purchase and Sale Agreement, subject to obtaining any required third party approvals and consents. That certain Power Purchase Agreement for the Supply of Dependable Capacity, Energy and Environmental Attributes from a Biomass-Fired Power Production Facility between GRU and GREC dated April 29, 2009, together with its related amendments (the "PPA"), shall be terminated at Closing of the Transaction ("Closing").

2. Price. The purchase price and terms of payment will be seven hundred fifty million dollars (\$750,000,000), assuming financing by GRU through thirty (30)-year utility system revenue bonds issued by the City of Gainesville, Florida ("Purchase Price"), which will be paid in cash at Closing. Should the 30-year U.S. Treasury increase by more than 50 basis points (measured as the difference between the rate on the Execution Date and the rate on the day that is five days before Closing), GRU may terminate the Transaction and cease negotiations thereof.

3. Negotiation. The Transaction will be subject to the negotiation and execution of a Purchase and Sale Agreement and associated legal documents. Negotiations will begin with a proposed asset purchase agreement supplied by GRU within 21 days following approval of this Memorandum by the Gainesville City Commission. The Parties will use commercially reasonable efforts to complete negotiations and agree upon a Purchase and Sale Agreement for execution not later than four (4) months after the Execution Date, and to achieve Closing not later than seven (7) months after the Execution Date.