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March 4, 2011

VIA FEDERAL EXPRESS DELIVERY

Chris Bird, Director
Alachua County
Environmental Protection Department
201 SE 2nd Avenue, Suite 201
Gainesville, FL 32601

Re: Gainesville Renewable Energy Center
DEP File No. 001 0131-001-AC (PSD-FL-411)

Dear Mr. Bird:

On behalf of Gainesville Renewable Energy Center, LLC ("GREC"), I am sending you this letter to confirm and supplement the information that was provided to you earlier today during your telephone conversation with Mr. Josh Levine.

GREC recently entered into a settlement agreement ("Agreement") with various individuals ("Appellants") that had been challenging the issuance of the permits and approvals for the Gainesville Renewable Energy Center ("Project"). In the Agreement, GREC agreed to give certain rights to the Alachua County Environmental Protection Department ("ACEPD"), and GREC agreed to provide ACEPD with a copy of the portions of the Agreement that are relevant to ACEPD's role under the Agreement. On behalf of GREC, I am hereby providing you and ACEPD with the relevant excerpts from the Agreement, which I have quoted below. GREC also is hereby providing ACEPD with certain notices and other information that are required under the Agreement.

A. Excerpts from Agreement

1.2. CEMS Data and Reports. GREC shall install, operate and maintain continuous emissions monitoring systems ("CEMS") at the Project for the bubbling fluidized bed ("BFB") boiler. GREC shall make the CEMS monitoring data available for review by the Appellants and the public within seven (7) days after the CEMS reports are prepared. The CEMS reports will be prepared on at least a quarterly basis, pursuant to the requirements of FDEP [the Florida Department of Environmental Protection]. Upon request, FDEP, the Alachua County Environmental Protection Department ("ACEPD"), and the United States Environmental Protection Agency ("EPA") may inspect the CEMS monitoring data at the GREC facility site in real time. The CEMS reports, including all of the back-up hour-by-hour daily CEMS data summaries that were used in preparing the quarterly reports, shall be made available for public inspection, during normal business hours, starting within thirty-seven (37) days after the first quarter of certified CEMS operation, at the Project site or another location in Alachua County. The CEMS reports, the daily CEMS data summaries, and all of the other CEMS data stored by GREC after the completion of the requisite quality assurance/quality control ("QA/QC") review processes, shall be provided to the public in an electronic format (e.g., compact disk ("CD") or digital video disk ("DVD")), upon request, at the Project site or another location in Alachua County. The Project's operating records shall be available for inspection on-site by the ACEPD. GREC shall request FDEP to modify the PSD Permit in accordance with this Section 1.2. GREC shall allow ACEPD to observe the on-site Project computer monitors that receive the real time data feed from the CEMS.

1.3. ACEPD Inspections. GREC shall give ACEPD access to the Project site for the purpose of determining whether GREC is in compliance with GREC's Conditions of Certification and the PSD

Permit, as well as the terms of this Agreement. Among other things, the ACEPD may conduct surveys for protected wildlife species; inspect the biomass fuel; inspect and sample environmental media; review the Project's monitoring data; and inspect the Project's boiler and air pollution control systems. The inspections by ACEPD may be conducted at any reasonable time selected by ACEPD, after giving reasonable notice to GREC. When ACEPD conducts its inspections, ACEPD's employees may be accompanied by consultants (other than Appellants) who have been selected by ACEPD to assist ACEPD with its inspections of the Project and who are deemed by the ACEPD to have the necessary professional education, training, or other qualifications. ACEPD, its employees and its consultants shall: (i) comply with GREC's health and safety procedures that are required by law or permit or are reasonable while conducting inspections or other activities on the GREC site; (ii) not unreasonably interfere with the operation of the Project; and (iii) maintain the confidentiality of any information obtained during such inspections that is legally protected as confidential, proprietary or trade secret. ACEPD shall have no right under this Agreement to inspect GREC's financial or personnel records. GREC shall request FDEP to modify the PSD Permit in accordance with this Section 1.3. If the PSD Permit has not been modified in accordance with this Section 1.3 by the time GREC is ready to clear the Project site, GREC shall nonetheless give ACEPD at least ten (10) days advance notice before GREC clears the Project site, and GREC shall allow ACEPD to inspect the Project site in accordance with the requirements in this Section 1.3. GREC shall provide thirty (30) days' advance notice to ACEPD before GREC conducts stack tests at the Project.

1.4. Grants to ACEPD. GREC shall give an annual grant in the amount of Twenty-Five Thousand Dollars (\$25,000.00) to the ACEPD for each of the first six (6) years after the Parties sign the Agreement. These funds shall be used by ACEPD to (i) pay the costs ACEPD incurs when

inspecting and monitoring the construction and operation of the Project, and (ii) pay qualified professional consultants to assist ACEPD with its inspections and monitoring of the Project. The first payment shall be delivered to ACEPD within thirty (30) days after GREC issues its Final Notice to Proceed. For purposes of this Agreement, the term "Final Notice to Proceed" shall mean the document issued by GREC that formally notifies and authorizes GREC's general contractor to commence full construction of the Project. An additional payment shall be delivered to ACEPD each year thereafter, for a total of six (6) years, on or before the anniversary of the first payment. ACEPD shall be provided a copy of the portions of this Agreement relevant to ACEPD's role under this Agreement. Should ACEPD decline to accept the funds referenced herein for the purposes stated herein, those funds shall be provided as additional contributions to [certain non-profit organizations].

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1.6. Penalties for Noncompliance. If GREC fails to comply with the requirements in the PSD Permit, GREC shall pay the penalties deemed appropriate by FDEP, provided such penalties are calculated in compliance with the requirements in Chapter 403, Florida Statutes, the FDEP's rules, and the FDEP's enforcement policies. In addition, GREC agrees to pay Ten Thousand Dollars (\$10,000.00) to ACEPD for each enforcement case in which GREC pays such penalties to FDEP under a final, non-appealable order, and GREC agrees to pay Twenty-Five Thousand Dollars (\$25,000.00) to a non-profit organization designated by Appellants for each enforcement case in which FDEP concludes in a final, non-appealable order that GREC's violation of the PSD Permit was "significantly detrimental to the environment," as that term is used in FDEP's penalty policies (FDEP Guidelines for Characterizing Air Violations). The additional payments described above to ACEPD and/or the designated non-profit

organization(s) shall cumulatively not exceed Two Hundred Fifty Thousand Dollars (\$250,000.00) in any one year.

1.7. Dioxin Emission Limit. GREC shall comply with an emission limit for "dioxin" (polychlorinated dibenzo-p-dioxins and furans) from the Project's BFB boiler. Specifically, GREC shall comply with a dioxin emission limit of 0.15 toxic equivalent nanograms per dry standard cubic meter at 7% oxygen (0.15 TEQ ng/dscm @ 7% O₂), the emission limit that FDEP previously proposed for a biomass facility in Port St. Joe, Florida. GREC shall request FDEP to modify the PSD Permit in accordance with this Section 1.7.

1.8. Initial Stack Test for Dioxin. GREC shall conduct an initial compliance test for dioxin emissions in stack gases from the Project's BFB boiler. The initial compliance test shall be conducted by an independent third party hired by GREC and it shall be performed in accordance with the applicable EPA Reference Test Methods. ACEPD, including any qualified professional consultant hired by ACEPD (other than the Appellants), may attend and observe the stack test. The test methods used and the test results will be provided to FDEP and ACEPD. The initial compliance test for dioxin shall be conducted at or promptly after the time when GREC conducts the initial compliance tests for other parameters pursuant to the PSD Permit. GREC shall request FDEP to modify the PSD Permit in accordance with this Section 1.8.

1.9. Annual Stack Tests for Dioxin. GREC shall conduct annual stack tests for dioxin from the Project's BFB boiler. The annual tests will be conducted by an independent third party hired by GREC and they shall be performed in accordance with the applicable EPA Reference Test Methods. ACEPD, including any qualified professional consultant hired by ACEPD (other than the Appellants), may attend and observe the annual stack tests. The test methods used and the test results shall be provided to FDEP and ACEPD. The

annual stack tests for dioxin shall be conducted at or promptly after the time when GREC conducts the annual stack tests for other parameters pursuant to the PSD Permit. GREC shall request FDEP to modify the PSD Permit in accordance with this Section 1.9.

1.10. Annual Stack Tests for PM2.5. GREC shall conduct annual stack tests for PM2.5 emissions from the Project's BFB Boiler. The annual tests will be conducted by an independent third party hired by GREC and they shall be performed in accordance with the applicable EPA Reference Test Methods. ACEPD, including any qualified professional consultant hired by ACEPD (other than the Appellants), may attend and observe the annual stack tests. The test methods used and the test results will be provided to FDEP and ACEPD. The annual stack tests for PM2.5 will be conducted at or promptly after the time when GREC conducts the annual stack tests for other parameters pursuant to the PSD Permit. GREC shall request FDEP to modify the PSD Permit in accordance with this Section 1.10.

B. Revisions to PSD Permit for GREC Project

As noted above, GREC has agreed to ask FDEP to make several revisions to the PSD permit for the GREC Project. Specifically, GREC will ask FDEP to revise the PSD permit so that certain provisions in the Agreement will be incorporated into the PSD permit. GREC anticipates that its request for a PSD permit modification will be filed with FDEP in the very near future.

C. Advance Notice of Site Clearing

GREC is hereby giving advance notice to ACEPD pursuant to Section 1.3, above, that GREC may clear the Project site at any time after ten (10) days have passed from your receipt of this letter. ACEPD may inspect the site at any reasonable time, before or after the site has been cleared, provided that ACEPD gives reasonable notice to GREC and otherwise complies with the requirements in Section 1.3 herein.

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D. Conclusion

We believe the Agreement provides an excellent opportunity for ACEPD to play a meaningful role in overseeing the construction and operation of the GREC Project. We look forward to working cooperatively with you and ACEPD on this Project.

Please call me or Mr. Levine if you have any questions.

Sincerely,


David S. Dee

Josh Levine
Mick Harrison
Trina Vielhauer, DEP