

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

THE EXPORT-IMPORT BANK OF THE
REPUBLIC OF CHINA,

Judgment Creditor,

-against-

GRENADA,

Judgment Debtor.

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06-CV-2469 (HB) (AJP)

**AFFIDAVIT OF KAREN RODEN-
LAYNE IN SUPPORT OF JOINT
MOTION TO VACATE RESTRAINING
NOTICES**

I, KAREN RODEN-LAYNE, state under penalty of perjury as follows:

1. I am the General Manager of the Grenada Solid Waste Management Authority (“GSWMA”). I make this affidavit from personal knowledge except as to statements made on information and belief, and as to such statements, I believe them to be true.

2. In April 1995, the Grenadian Parliament passed the Grenada Solid Waste Management Authority Act (“GSWMAA”), which created the GSWMA. Pursuant to the GSWMAA, the GSWMA is “charged with the duty of developing the solid waste management facilities and improving the coverage and effectiveness of solid waste storage, collection and disposal facilities of Grenada.”

3. While the GSWMA was created by the government of Grenada, the government has little if any involvement in its day-to-day operations. As General Manager, I am responsible for the GSWMA’s day-to-day operations, including such things as hiring and firing of staff, managing revenue collections, assessing maintenance priorities, negotiations with vendors and suppliers, etc. I report to the members of the GSWMA, who function as a typical corporate board of directors, supervising the operations of the GSWMA and providing guidance and, where required, approvals, for actions taken by myself and the GSWMA’s employees. The

government Minister in charge of environmental matters for Grenada also has an oversight and approval role with respect to the GSWMA. Generally, this role consists of providing general policy guidance to the GSWMA, reviewing the GSWMA's financial records, budgets and projections, and providing approvals for major actions and undertakings by the GSWMA where necessary (such as for the purchase or appropriation of land for GSWMA use). Neither the Minister nor any other government official is involved in the day-to-day operations of the GSWMA in any way.

4. The GSWMA is also financially independent from the government of Grenada. In any year, approximately 78% of the revenues for the GSWMA are derived from Environmental Levies collected pursuant to the Environmental Levy Act of 1997. These Environmental Levies are collected by the Grenada Airports Authority, Grenada Ports Authority, and other Grenadian entities on behalf of the GSWMA. Of the aforementioned 78% of total revenues, approximately 12% comes from Environmental Levies collected by the Ports Authority, and 4% comes from Environmental Levies collected by the Airports Authority. Each of these entities collects the Environmental Levies and then forwards them directly to the GSWMA. The government of Grenada is not involved in the collection or handling of the Environmental Levies at any time or in any way.

5. It is my understanding that the Export-Import Bank of the Republic of China ("EX-IM") has served restraining notices on most if not all of the airlines and cruise ship companies that use the air and sea ports of Grenada, and that these restraining notices call for the restrained entities to cease making any and all payments that they are required to make in conjunction with their operations in Grenada. These are the same entities from which the Environmental Levies are collected. It is my understanding that basis for these demands is EX-

IM's assertion that the government of Grenada, a judgment debtor to EX-IM, may have an interest in payments made by these entities with respect to their Grenadian business operations, which EX-IM contends renders the payments attachable under the appropriate law in enforcement of EX-IM's judgment.

6. Whatever interest the government of Grenada may or may not have in property held by these restrained entities, it has no such interest in the Environmental Levies due from them. As noted, these Levies are collected from the restrained entities on behalf of the GSWMA, not the government of Grenada.

7. The GSWMA also has no relation to the underlying dispute between EX-IM and Grenada. The GSWMA was not a party to any of the loan agreements at issue in the dispute, nor was it otherwise responsible for making any payments to EX-IM or any other entity in relation to those loans. EX-IM did not name the GSWMA as a party in its lawsuit, nor, on information and belief, are any of EX-IM's allegations related in any way to any action, inaction, or conduct of the SWMA or any of its officers, directors, members or employees. In short, the GSWMA had no involvement whatsoever with the facts or circumstances that ultimately led to the EX-IM lawsuit and judgment.

8. The revenues of the GSWMA – including all funds collected from Environmental Levies – are used to cover the GSWMA's operating costs and expenses associated with the maintenance and operation of Grenada's solid waste management infrastructure. The GSWMA's annual operational cost is approximately \$10 million, with the majority of the associated expenses being fixed expenses in the form of contractual obligations and salaries.

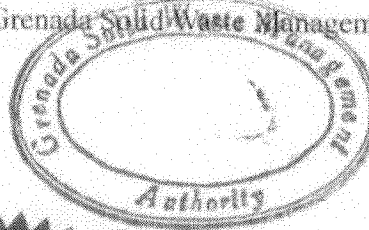
9. As noted, revenue from the Environmental Levies collected from the restrained entities represents a substantial and significant portion of the SWMA's total revenues. Even

prior to the loss of these revenues, the GSWMA was having financial difficulties. The continued deprivation of the GSWMA of these funds as a result of EX-IM's restraining notices will impair the GSWMA's ability to honor its contracts and pay its employees, and will significantly hamper the GSWMA's ability to fulfill its mission to effectively operate and manage solid waste disposal in Grenada.

Dated: March 16th, 2012

Karen Roden-Layne

Karen Roden-Layne
General Manager
Grenada Solid Waste Management Authority



Sworn to before me this
16th day of March, 2012

[Signature]

[Signature]

Notary Public
NOTARY PUBLIC
IN AND FOR GRENADA

