

April 8, 2008

Mr. Ari Mervis
Vice President, Finance
Nacogdoches Power, LLC
75 Arlington St., Suite 704
Boston, MA 02116

Re: Gainesville Regional Utilities, Biomass-Fueled Generation Facility Request for Proposals

Dear Ari:

You have advised SG Americas Securities, LLC (“SG”, or “SGAS”) of your intention to have Nacogdoches Power, LLC, or a to-be-formed special purpose affiliate thereof (the “Borrower”) develop, build, own, and operate a 100 MW biomass-fired electric generating facility in Florida (the “Project”). The proposed Project will be located at the existing Deerhaven Power Generating Plant and will serve Gainesville Regional Utilities (“GRU”) under an Energy Supply Agreement.

We are pleased to confirm that, based upon our present understanding of the Project and our review of updated information regarding the proposed Project that has been made available to us as described below, and subject to the foregoing conditions, SG is highly confident (as of the date hereof and based upon current market conditions) that it will be able to arrange a financing in an aggregate amount sufficient to finance the Project on a non-recourse basis. As is customary, the structure, covenants and terms of a financing would be subject to the delivery of documentation satisfactory to us.

Financeability of Nacogdoches Power Project in Gainesville, FL

SG believes that the Project will provide Gainesville Regional Utilities with cost-effective renewable capacity and/or energy, while minimizing impacts to the surrounding environment. The Project will also enhance reliability for the GRU system. The Deerhaven Power Generating Plant site is ideal for development of your 100 MW biomass-fired facility, especially in light of the many existing conditions at the site which are conducive to your Project’s development and construction, including site certification, permitting for water withdrawal, infrastructure, proximity to transmission, and abundant and nearby wood supply sources. The Project is ideally suited to serve GRU with a renewable, reliable energy supply.

The Project will be developed by a strong management team with many years of experience. We have enjoyed our first-hand experience in working with you to date on the Nacogdoches Power Project in Texas. We are very confident in your abilities to competently develop projects of this nature, and we believe that this Project will be equally successful.

We do believe that we will be able to arrange a financing (the “Financing”) in an aggregate amount sufficient to finance the required debt for the Project on a non-recourse basis. Our opinion above remains subject in all respects to SG and its representatives having completed and being satisfied with the results of our financial, business, environmental, accounting, engineering and legal due diligence investigations of the Borrower and the Project, including a more thorough review of projections, contracts and a business plan developed by management of the Borrower and review and analysis by third-party experts as deemed necessary by SG.

Our view expressed above is also subject to (i) final agreement on the pricing, terms, structure and conditions of the Financing which shall be satisfactory to us, (ii) SG's satisfaction with the proposed capital structure of the Borrower after giving effect to the final structure of the Project, (iii) execution of definitive legal documentation in respect of the Financing satisfactory to SG, (iv) there not having occurred or becoming known to us any material adverse condition or material adverse change in or affecting the business, assets, liabilities (including contingent liabilities), operation, condition (financial or otherwise) or prospects of the Borrower or the Project, (v) all material agreements being in full force and effect and in form and substance satisfactory to us, and (vi) the receipt of all necessary governmental, regulatory and third-party approvals and consents on terms satisfactory to us and there being no legal, regulatory, financial or other restrictions or legal proceedings which may impact the Project, or the Borrower's ability to consummate the Financing.

Furthermore, our view is based on current conditions in the financial and capital markets generally and, in particular, the loan syndication and investment grade private placement markets, and assumes there would be no change in the existing conditions and circumstances in these markets that would materially impair the syndication or placement of the Financing. To the extent any such changes occur, our view expressed above could be materially different.

This letter is rendered to you solely for your use in connection with the Project and does not confer any rights or remedies on any party, including any other party to the Project or any financing sources for the Project, nor does it constitute (and it is not intended to constitute) a commitment or undertaking on the part of SG or any of its affiliates to underwrite, arrange, provide or place all or any part of the Financing. Without limiting the generality of the foregoing, any such commitment or undertaking could only be extended after completion of due diligence and receipt by SG of all necessary internal approvals and, in any event, would be evidenced by a separate commitment or engagement letter setting forth the terms and conditions of, and the fees payable in connection with, such commitment or undertaking.

SG is very enthusiastic about your Nacogdoches Power Project in Gainesville, Florida and would appreciate any opportunity to serve you in any way in an advisory role or with the ultimate financing of this Project.

We look forward to working with you on this transaction.

Very truly yours,

SG AMERICAS SECURITIES, LLC

By:



Roberto Simon
Managing Director