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**Letter of Intent for the Engineering, Design and Supply of
a Bubbling Fluidized Bed Boiler and Associated Equipment
for a Biomass-Fired Electric Generating Facility in Florida**

Nacogdoches Power, LLC, a Delaware limited liability company ("Nacogdoches Power"), is developing a 100 MW biomass-fired electric generating facility in Florida to serve Gainesville Regional Utilities (the "Project"). Nacogdoches Power has been invited by Gainesville Regional Utilities ("GRU") to submit a binding proposal for the sale of capacity, renewable energy and environmental attributes from a 100 MW biomass-fired electric generating facility. If Nacogdoches Power is selected by GRU to enter into a long-term power purchase agreement for the sale of capacity, renewable energy and environmental attributes from the Project, Nacogdoches Power desires to purchase a bubbling fluidized bed boiler and associated equipment from Metso Paper USA, Inc., a Delaware corporation ("Metso"), to combust biomass fuel and produce steam for the Project. Metso desires to engineer, design and supply a bubbling fluidized bed boiler and associated equipment for the Project (the "Boiler Island") subject to the terms hereof. Nacogdoches Power and Metso (each a "Party") have entered into this Letter of Intent ("LOI") as of April 8, 2008 (the "Effective Date") to set forth certain understandings with respect to Metso's engineering, design, and supply of the Boiler Island.

1. Exclusivity. If Nacogdoches Power is selected by GRU to enter into a long-term power purchase agreement for the sale of capacity, renewable energy and environmental attributes from the Project, Nacogdoches Power and Metso shall work together on an exclusive basis to finalize a Boiler Supply Agreement for the engineering, design and supply of the Boiler Island (the "Boiler Supply Agreement").
2. Boiler Supply Agreement. The Boiler Supply Agreement shall be a firm-price, date-certain engineering, design and supply contract with a scope of services to include all engineering, design, procurement, supply, delivery and technical services to supply the Boiler Island that meets the stipulated requirements on or before the scheduled substantial completion date set forth therein. The Boiler Supply Agreement shall be substantially similar, aside from contract price, schedule, and other terms and conditions agreed to by Nacogdoches Power and Metso, to the Contract for the Engineering, Design and Supply of a Bubbling Fluidized Bed Boiler and Associated Equipment for a Biomass-Fired Power Production Facility, dated as of April 19, 2006, by Nacogdoches Power, LLC, a Delaware Limited Liability Company and Aker Kvaerner Power, Inc., a Delaware Corporation, as amended and restated according to the draft Amended and Restated Contract for the Engineering, Design and Supply of a Bubbling Fluidized Bed Boiler and Associated Equipment for a Biomass-Fired Power Production Facility, dated as of May

16, 2007, by Nacogdoches Power, LLC, a Delaware Limited Liability Company and Metso Power USA, Inc., a Delaware Corporation, (the "Nacogdoches Boiler Agreement"). Neither Party is obligated to enter into the Boiler Supply Agreement or any other definitive agreement, any such agreement being subject in all respects to a Party's satisfaction with the terms thereof and the approval of its board of directors or equivalent governing body. It is understood that neither Party has any liability to the other party for failure to enter into the Boiler Supply Agreement or any other agreement.

3. Design Basis. Nacogdoches Power and Metso shall utilize Appendix I to the Nacogdoches Boiler Agreement as the basis of the design for the Boiler Island, subject to modification as necessary.
4. Expenses. Until the Boiler Supply Agreement is executed, each of Nacogdoches Power and Metso shall bear its respective out-of-pocket costs, overhead, salary and benefit costs and burdens pertaining to its employees related to the negotiation of the Boiler Supply Agreement.
5. Term and Termination. The term of this LOI shall commence as of the Effective Date and continue until the earlier of (a) the execution of the Boiler Supply Agreement or (b) December 31, 2009. Either Party shall also have the right to terminate this LOI at any time should Nacogdoches Power not be selected by GRU to enter into a long-term power purchase agreement for the sale of capacity, renewable energy and environmental attributes from the Project, or should the Parties fail to agree on the terms and conditions of the Boiler Supply Agreement by December 31, 2008.
6. Relationship of the Parties. Nothing in this LOI shall be construed as creating a partnership, joint venture, agency, fiduciary relationship or other legal entity between the Parties.
7. No Third Party Beneficiaries. This LOI is being made and entered into solely for the benefit of the Parties hereto. No Party intends to create any rights in favor of any other person as a third party beneficiary of this LOI.
8. Waiver. The failure of a Party to exercise any right hereunder shall not be deemed a waiver of such rights in the future.
9. Limitation of Liability. Neither Party shall bring (and each Party hereby releases) any claim for any damages, including without limitation special, indirect, or consequential damages of any kind, damages arising from the use or loss of any facility; loss of anticipated profits or revenues; claims of customers; or interest for any reason including the failure to reach or enter into the Boiler Supply Agreement. Notwithstanding any other provision of this LOI, neither Party shall be liable to the other Party (including its employees, affiliates and agents) for loss of anticipated profits or revenue, cost of capital, downtime, loss of use, interest, special, punitive or any consequential, incidental or indirect loss or damage sustained or suffered by such Party under this LOI, whether such liability arises at contract, tort, or otherwise, and irrespective of fault, negligence or strict liability.

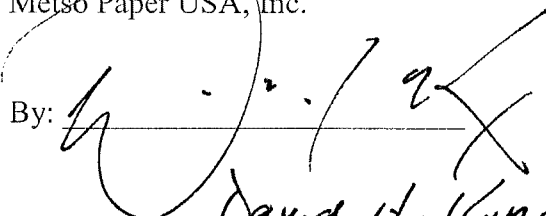
10. Governing Law and Dispute Resolution. The substantive laws of the State of Florida shall govern this LOI, without reference to the conflicts of laws principles thereof. All disputes arising in connection with this LOI that cannot be settled amicably after discussion by the Parties within a period of sixty (60) days (extendible by mutual agreement), shall be finally decided by arbitration under the rules of the Construction Industry Arbitration Rules of the American Arbitration Association, with a venue in New York, New York.

IN WITNESS WHEREOF, Nacogdoches Power and Metso have caused this LOI to be executed in their respective names by persons duly authorized to do so on their behalf.

Nacogdoches Power, LLC

By: 

Metso Paper USA, Inc.

By: 
David H. King
President of Power B.L.



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**Letter of Intent for the Engineering, Design and Supply of
a Biomass Fuel Material Handling System
for a Biomass-Fired Electric Generating Facility in Florida**

Nacogdoches Power, LLC, (a Delaware Limited Liability Company), hereinafter referred to as **"Nacogdoches Power"**, is developing a 100 MW biomass-fired electric generating facility in Florida to serve Gainesville Regional Utilities (the **"Project"**). Nacogdoches Power desires to have Wolf Material Handling Systems, a division of Hoffmann, Inc. (an Iowa Corporation), hereinafter referred to as **"Wolf"**, to conceptually design, develop and cost structure a biomass fuel material handling system that will receive, process, transport and store biomass fuel for the Project (**"Conceptual Phase"**). Nacogdoches Power has been invited by Gainesville Regional Utilities (**"GRU"**) to submit a binding proposal for the sale of capacity, renewable energy and environmental attributes from a 100 MW biomass-fired electric generating facility. If Nacogdoches Power is selected by GRU to enter into a long-term power purchase agreement for the sale of capacity, renewable energy and environmental attributes from the Project, Nacogdoches Power desires to purchase a biomass fuel handling system from Wolf. Based upon these statements and subject to the following terms and conditions contained herein, Wolf desires to develop the conceptual design of the system and to engineer, design and supply the biomass material handling system. Nacogdoches Power and Wolf (each a **"Party"**) have entered into this Letter of Intent (**"LOI"**) as of April 8, 2008 (**"Effective Date"**) for the purpose of establishing and formalizing the contractual parameters for each with respect to the conceptual development and design of the project and the final construction of the Project.

1. Exclusivity. Nacogdoches Power and Wolf shall work together on an **"exclusive basis"** to conceptually design a biomass fuel material handling system for the Project. Neither Party will be allowed to work with or through any other entity or person without the written consent of the other Party. Said consent shall not be unreasonably withheld. If Nacogdoches Power is selected by GRU to enter into a long-term power purchase agreement for the sale of capacity, renewable energy and environmental attributes from the Project, Nacogdoches Power and Wolf shall use commercially reasonable efforts to enter into a Biomass Fuel Material Handling System Agreement (the **"Fuel Handling System Agreement"**) for the engineering, design and supply of a biomass fuel material handling system for the Project based upon the conceptual design and cost schedule provided by Wolf during the Conceptual Phase. This exclusive arrangement may only be modified by the Parties as provided herein.

2. Design and Cost Determination. Nacogdoches Power and Wolf shall work together to conceptually design a biomass fuel material handling system during the Conceptual Phase. No further engineering or design will be required of Wolf during this phase of the Project.
3. Engineering, Design and Supply Contract Terms. The Biomass Fuel Material Handling System Agreement (the "Fuel Handling System Agreement") between Nacogdoches Power and Wolf shall be a firm-price (cost structure), date-certain engineering, design and supply contract with a scope of service(s) to include all engineering, design, procurement, supply, delivery and technical services to supply a fully functional biomass fuel material handling system that meets the stipulated requirements, as agreed to by the Parties at a later date. This scope of services shall not include the erection and installation of the material handling system. The Parties hereto acknowledge and agree that the erection and installation of the material handling system will be performed by other(s) and to the extent that said other Party impacts the construction schedule, design cost or delivery of the system, Wolf shall not be held responsible or liable as a term of this agreement. Further, given the fact most of the matter(s) mentioned herein have not yet been determined; it agreed and understood that the Parties must agree to these term(s) at a future date and that Nacogdoches Power does not have the authority to unilaterally require Wolf to agree to any certain date or time frame/schedule.
4. Expenses. Both Nacogdoches Power and Wolf shall bear their respective out-of-pocket costs, overhead, salary and benefit costs and burdens pertaining to their respective employees during the "conceptual phase" of this Project. Nacogdoches Power acknowledges and agrees that Wolf is willing to perform this work with the understanding that , except as otherwise provided herein, Wolf will provide the biomass fuel material handling system for the Project if Nacogdoches Power is selected by GRU to enter into a long-term power purchase agreement for the sale of capacity, renewable energy and environmental attributes from the Project.
5. Term and Termination. The term of this LOI shall commence as of the Effective Date and continue for a period of two (2) years. Each Party shall have the right to terminate this LOI at any time should the price, delivery schedule or performance of the biomass fuel material handling system, or time should the price, delivery schedule or performance of other work by that Party impact the development or continuation of its work on this Project.
6. Relationship of the Parties. Nothing in this LOI shall be construed as creating a partnership, joint venture, agency, fiduciary relationship or other legal entity between the Parties. The conceptual design of the material handling system shall remain the sole property of Wolf and Nacogdoches Power agrees not to use, at anytime, said information for the purpose(s) of this Project or any other. This includes the transfer of said information to another person or entity. It is further agreed that the cost structure developed hereunder shall not be disclosed to another person or entity without the consent of the other Party.

7. No Third Party Beneficiaries. This LOI is being made and entered into solely for the benefit of the Parties hereto. No Party intends to create any rights in favor of any other person as a third party beneficiary of this LOI.
8. Waiver. The failure of a Party to exercise any right hereunder shall not be deemed a waiver of such rights in the future.
9. Limitation of Liability. Neither Party shall bring (and each Party hereby releases) any claim for special, indirect, or consequential damages of any kind, including, but not limited to, damages arising from the use or loss of any facility; loss of anticipated profits or revenues; claims of customers; or interest for any reason including the failure to reach or enter into the Fuel Handling System Agreement. Except as otherwise provided herein, no Party shall be liable to the other Parties (including its employees, affiliates and agents) for loss of anticipated profits or revenue, cost of capital, downtime, loss of use, interest, special, punitive or any consequential, incidental or indirect loss or damage sustained or suffered by such Party under this LOI, whether such liability arises at contract, tort, or otherwise, and irrespective of fault, negligence or strict liability.
10. Governing Law and Dispute Resolution. The substantive laws of the State of Florida shall govern this LOI, without reference to the conflicts of laws principles thereof. All disputes arising in connection with this LOI that cannot be settled amicably after discussion by the Parties within a period of thirty (30) days (extendible by mutual agreement), shall be finally decided by Arbitration under the rules of the Construction Industry Arbitration Rules of the American Arbitration Association, with a venue in Minneapolis, Minnesota.

IN WITNESS WHEREOF, Nacogdoches Power and Wolf have caused this LOI to be executed in their respective names by persons duly authorized to do so on their behalf.

Nacogdoches Power, LLC

By: 

Wolf Material Handling Systems, Inc.

By: 



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Letter of Intent for the Operations and Maintenance of a Biomass-Fired Electric Generating Facility in Florida

Nacogdoches Power, LLC, a Delaware limited liability company ("Nacogdoches Power"), is developing a 100 MW biomass-fired electric generating facility in Florida (the "Project"). Nacogdoches Power desires to contract with North American Energy Services Company ("NAES"), a Washington corporation, and a subsidiary of Itochu International, Inc., a New York corporation, to operate and maintain the Project. NAES desires to operate and maintain the Project. Nacogdoches Power and NAES (each a "Party") have entered into this Letter of Intent ("LOI") as of April 9, 2008 ("Effective Date") to set forth certain understandings with respect to the development of the Project.

1. **Exclusivity.** Nacogdoches Power and NAES shall work together on an exclusive basis to finalize an operations and maintenance agreement (the "O&M Agreement") for the operations and maintenance of the Project.
2. **Budget Determination.** Nacogdoches Power and NAES shall work together to refine the operations and maintenance proposal and budget for the Project in order to improve performance and lower cost.
3. **Operations and Maintenance Contract Terms.** The O&M Agreement shall be a cost reimbursable, combination fixed and incentive fee type operations and maintenance contract.
4. **Expenses.** Nacogdoches Power and NAES shall each bear its respective out-of-pocket costs, overhead, salary and benefit costs and burdens pertaining to its employees during the development of the Project.
5. **Term and Termination.** The term of this LOI shall commence as of the Effective Date and continue for a period of two (2) years following the Effective Date, unless superseded by the O&M Agreement. Nacogdoches Power shall have the right to terminate this LOI only if (i) Nacogdoches Power is unable to obtain financing; or (ii) an investor in the project or a party affiliated with such investor is selected to provide O&M services for the project. If Nacogdoches Power terminates this LOI and closes construction financing for the Project, Nacogdoches Power shall pay NAES \$37,000 within thirty (30) days following financing closing as full compensation for the participation of NAES in support of the project.


6. Relationship of the Parties. Nothing in this LOI shall be construed as creating a partnership, joint venture, agency, fiduciary relationship or other legal entity between the Parties.
7. No Third Party Beneficiaries. This LOI is being made and entered into solely for the benefit of the Parties hereto. No Party intends to create any rights in favor of any other person as a third party beneficiary of this LOI.
8. Waiver. The failure of a Party to exercise any right hereunder shall not be deemed a waiver of such rights in the future.
9. Limitation of Liability. Neither Party shall bring (and each Party hereby releases) any claim for special, indirect, or consequential damages of any kind, including, but not limited to, damages arising from the use or loss of any facility; loss of anticipated profits or revenues; claims of customers; or interest for any reason including the failure to reach or enter into the O&M Agreement. Notwithstanding any other provision of this LOI, no Party shall be liable to the other Parties (including its employees, affiliates and agents) for loss of anticipated profits or revenue, cost of capital, downtime, loss of use, interest, special, punitive or any consequential, incidental or indirect loss or damage sustained or suffered by such Party under this LOI, whether such liability arises at contract, tort, or otherwise, and irrespective of fault, negligence or strict liability.
10. Governing Law and Dispute Resolution. The substantive laws of the State of Florida shall govern this LOI, without reference to the conflicts of laws principles thereof. All disputes arising in connection with this LOI that cannot be settled amicably after discussion by the Parties within a period of sixty (60) days (extendible by mutual agreement), shall be finally decided by arbitration under the rules of the Construction Industry Arbitration Rules of the American Arbitration Association, with a venue in Boston, Massachusetts.

IN WITNESS WHEREOF, Nacogdoches Power and NAES have caused this LOI to be executed in their respective names by persons duly authorized to do so on their behalf.

Nacogdoches Power, LLC

North American Energy Services Company

By: _____



By: _____

 4/9/08