

April 09, 2009

City and County Commissioners  
Traverse City and Grand Traverse County  
400 Boardman Ave.  
Traverse City, Michigan 49684

Ref; Letters of Intent (revised) Dated April 09, 2009

To The Commissioners;

In response to your letters dated March 18, 2009 and March 27, 2009, we are pleased to submit the following documents as evidence of our continuing perseverance in this process;

- “Future Success Assured By Past Performance”
- Letters of Intent (revised) Dated 04-09-09 to City and County
- Scope of Projected Expenditures.

Cash flow projections, revenue estimates, calculations, engineering documents, labor and material allocations and specific corporate planning has been withheld as proprietary information. Please remember that regardless of cost reductions, savings and / or over-runs, our firm is obligating itself to the total expenditures required.

We trust that these documents will serve to further convince each of you as to the absolute viability and feasibility of hydroelectric power generation, as a renewable energy source, at the Boardman River Dams, and we therefore welcome any comments or questions you may have.

Respectfully,

Charles Peterson  
Peterson Machinery Sales