



City of Cleveland
Frank G. Jackson, Mayor

Department of Public Utilities
Cleveland Public Power
1300 Lakeside Avenue
Cleveland, Ohio 44114-1135
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November 6, 2007

Peter Tien
President, Princeton Environmental Group
614 Frelinghuysen Ave., Newark, NJ 07114

RE: Letter of Intent

Dear Mr. Tien:

Subject to satisfactory completion of the City of Cleveland's due diligence efforts which among other things will include a thorough review by an independent feasibility consultant of Princeton Environmental Group, the viability and environmental impacts of your technology, and the financial feasibility of a waste to energy facility in Cleveland, it is the intent of the City to enter into negotiations leading to an agreement with Princeton Environmental Group for design and engineering services for a municipal solid waste to energy facility using Princeton Environmental Group's patented pyrolysis gasification and steam compression technologies.

If the City's due diligence efforts support going forward, the City will send a delegation to inspect your facilities abroad in the Spring of 2008. Princeton Environmental Group's full cooperation and participation throughout the City's due diligence process will be required. In the event that the City determines in its sole discretion that the waste to energy facility would not meet its expectations, the City shall terminate discussions at no cost or obligation to proceed.

Thank you for your consideration of our great City, and we look forward to working with you.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ivan Henderson".

Ivan Henderson, Commissioner
Cleveland Public Power

A handwritten signature in cursive script, appearing to read "Barry Withers".

Barry Withers, Interim Director
City of Cleveland, Department of Public Utilities