

THE LAW OFFICE OF  
WARREN R. MARKOWITZ, ESQ

September 28, 2009

Mr. Jerry Alvarez, President & CEO  
Alternative Energy Development Corp.  
17505 N. 79th Avenue, Suite 309  
Glendale, Arizona 85308  
Fax: 623-334-0437 / 218-7032  
E-mail: jalvarez@aedccorp.com

VIA EMAIL, FAX & FIRST CLASS MAIL

RE: Roy Martin/Fuel Concepts LLC, Licensing Agreement

Dear Mr. Alvarez,

This letter is to inform you that your organization is in **BREACH** of the provisions of the Licensing Agreement assigned to you in or about April 2009 by Smith Young Associates and Morton Weisbrot and executed in August 2008 by the assignors. **YOU ARE TO CEASE AND DESIST IN ANY ACTION RELATED TO THE MARKETING, SALE OR DISTRIBUTION OF THE LICENSOR'S PRODUCT AND TECHNOLOGY.** The failure of your organization to produce financial returns based on the arrangement identified in the License Agreement of August 2008 has resulted in substantial financial and professional harm to Mr. Martin and Fuel Concepts.

**You have thirty (30) days to cure this default. Fuel Concepts LLC and Roy Martin are demanding assurances** that you can cure. Such assurances must be provided within the next 5 business days and must include the following as well as any other material that you deem necessary for Mr. Roy Martin and Fuel Concepts, LLC to accept your position that this license should not be terminated :

1. **EXECUTED MARKETING AGREEMENTS** with third parties for the purchase and installation of the device and technology licensed to your organization, and financial proof of the third parties ability to fulfill such agreements,
2. **RECENT AUDITED FINANCIAL STATEMENTS** from your company that identify dedicated funds reasonably expected to support the marketing and sales efforts of the Licensor's product,

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Attorney Licensed in NY

3. **A DETAILED LIST OF THE ORGANIZATIONS** that you have contacted, negotiated with, or executed contracts with to sell and install the product and their anticipated purchase and install rates, and
4. **INFORMATION RELATING TO YOUR COMPANY'S ONGOING ABILITY TO COMPLY WITH AND FULFILL ITS OBLIGATIONS UNDER THE AGREEMENT.**

It is apparent to Mr. Roy Martin and Fuel Concepts, LLC that due to the length of time your organization has had the rights under the licensing agreement and your failure to comply with and fulfill your obligations under the agreement it is unlikely that your assurances will be accepted. **Until your assurances are accepted by the Licensor the rights of AEDC to market and sell the product is suspended.**

Respectfully,

/s/ \_\_\_\_\_  
Warren Markowitz, Esq.  
Attorney and Counselor at Law

cc: Roy Martin/Fuel Concepts LLC

Morton Weisbrot  
Smith Young Associates, LLC