



Western Economic
Diversification Canada

Diversification de l'économie
de l'Ouest Canada

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March 18, 2009

Guy Heywood
Anmore Renewable Energy Foundation
2697 Sunnyside Road
Anmore, B.C. V3H 3C8

Dear Mr. Heywood

I am writing in response to our conversations concerning Western Economic Diversification (WD) funding for the Anmore Renewable Energy Foundation (AREF).

WD agreed to fund \$120,000, or 55% of total estimated project costs of \$220,000. The calculations presented to you demonstrate that total project costs were substantially lower at \$141,005. As previously explained, government sources can only fund 90% of this amount (\$126,905), as per our contribution agreement. To date AREF has received \$75,000 from the Province of BC as a grant for the project and \$72,760 from WD. Therefore the combined government funding is \$147,760, or \$20,885 more than what is permitted under your agreement. Had we been aware that project costs would be significantly lower or that some current AREF payables would not be paid, we would have adjusted earlier claims accordingly.

During our meeting on January 23, 2009, you indicated that the \$75,000 provided by the Province was not actually used for the WD sponsored project. After consideration of this, and in an attempt to provide you with maximum flexibility, an e-mail was sent on January 26, 2009 stating that provincial monies would not be considered in project funding or stacking calculations if the following could be demonstrated:

1. The Province would confirm that the funds could have been used for other projects
2. AREF could demonstrate that the funds were actually used for other projects.

To date, the only documentation received is a copy of the original grant agreement between the Province and AREF that clearly shows that the monies were to be used for the WD sponsored project. Further, the terms of the grant agreement indicate that the monies could not be spent on other projects. The Province was contacted and the current officer responsible for the file could not provide any other information to the contrary. AREF has not provided any documentation showing that the funds were actually used for other purposes.

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Based on the above, WD cannot process the outstanding claim from AREF. Further, WD will have to request repayment of the \$20,855 overpayment.

As before, we are open to hearing from you concerning any new information you can provide relating to the Provincial funding. We would request that any new information be sent to our offices by April 17, 2009. If we have not heard from you by that date we will proceed with closing the project and setting up a receivable.

If you would like additional information or would like to discuss this further, do not hesitate to contact me at 604-666-1303.

Sincerely,



Mark Ferrari
Manager, Monitoring and Payments
Western Economic Diversification
British Columbia Region

CC: Hal Weinberg
Dennis Bruchet
Doug Hawes
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