



Energy Saving Trust
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[REDACTED]
Mountgrange (Calton Gate) Limited
10 Old Tolbooth Wynd
Edinburgh
EH8 8EQ

15th August, 2007

Dear [REDACTED]

Low Carbon Buildings Programme - Mountgrange (Caltongate) Limited

I am writing to you following your application for an award of grant under the DTI's Low Carbon Buildings Programme. In order to proceed with your grant application, the Energy Saving Trust requires some further information from you. I would be grateful if you would provide responses to the issues set out below.

You indicated on your application form that Mountgrange (Caltongate) Limited is a non-undertaking. This appears to be incorrect. We believe that Mountgrange should properly be classified as an undertaking for State aid purposes. As an undertaking, Mountgrange will only be entitled to receive up to 40% of eligible costs in grant funding. Your grant application is for 40% of eligible costs, therefore we are happy to proceed on the basis that Mountgrange is applying for a grant as an undertaking. Please note that the obligations and restrictions applicable to undertakings in the Stream 2B Conditions of Grant will apply. I would be grateful if you would confirm that you are happy to proceed on this basis.

We understand that the applicant is a special purpose vehicle, that has been set up specifically for the purposes of the current project. EST therefore requires a parent company guarantee to be provided by Mountgrange Capital plc. I attach a copy of the form of parent company guarantee that will be required. If you require an electronic copy of this guarantee please contact [REDACTED]. I would be grateful if you would confirm that Mountgrange Capital plc is willing to provide a guarantee in respect of the applicant's obligations.

Yours sincerely,

[REDACTED]
Assistant Programme Manager, Grant Programmes
Energy Saving Trust