

April 1, 2013

To: Members of the South Windsor Town Council
Town Manager Matt Galligan
From: Anthony DelVicario, CT Studios
Re: Project Update

As you all are well aware. CT Studios has been working to finalize all its financial commitments and evidence to the State of Connecticut and the Governor that our project is ready to close. The purpose of this demonstration has been to obtain the Administration's support for a proposed power purchase agreement between CT Studios and an electric distribution company. To date we have completed this work with the exception of a final written commitment of the permanent financing for the Studio, the Studio's construction financing has been committed.

I am aware of the Special Meeting scheduled for Wednesday at 6 p.m. and will be in attendance to provide an update.

The following questions were recently asked by Town Councilor Keith Yagaloff, below are the questions and the corresponding answers.

How are they doing on the fuel cell proposal?

CT Studios is in receipt of commitments for both the construction and permanent financing of the proposed \$30 million fuel cell project. CT Studios has sought the support of the Governor and his administration for this project. They need to be assured that CT Studios capital financing of the studio is solid and committed before supporting the fuel cell. We have provided the Administration through the DECD all of our commitments.

We are currently awaiting a final written commitment from First Niagara for the permanent mortgage for the studio, this pays off the construction financing. Terms of the commitment letter were provided in a conference call this morning. The commitment is ready for signature but the officer at the bank that will execute the letter is not due back in the office until tomorrow. At that time, he will review and execute the letter. Any Councilor that would like to speak to our contact with this bank will be provided his contact information.

Once this final commitment is provided to DECD a short series of events will take place that will end with the execution of a power purchase agreement with an electric distribution company.

What is the status of their outstanding mortgage?

This is a good transition to the next step. Following the execution of the PPA, CT Studios has received commitment for financing to address certain pre-closing tasks. These are:

1. Payment to DCK to satisfy CT Studios obligations to them and remove that mortgage.
2. Satisfy obligations to the seller of the land where the studio will be built.
3. Application for building permits for the first two soundstage/production office buildings.