

Indicative Summary of Terms and Conditions
New Haven Geothermal Project
Up to \$7,114,410 Bridge Loan Facility
September 13, 2024

For Discussion Purposes Only – Confidential – This is Not a Commitment

This Indicative Summary of Terms and Conditions or Summary Term Sheet describes certain of the principal terms and conditions of the proposed financing described below, is for discussion purposes only and is not to be construed in any way as a commitment or undertaking of Connecticut Green Bank, or any of its subsidiaries or affiliates (collectively, "Green Bank"), to provide a loan or any other type of financing. It is not intended as a definitive list of all our requirements in connection with the financing. This Summary Term Sheet does not constitute a commitment, a contract to provide a commitment, or an offer to enter into a contract regarding the proposed financing on these or any other terms. This Preliminary Term Sheet supersedes any and all prior correspondence, written and oral, concerning a proposed loan with regard to the proposed loan facility. The actual terms and conditions under which Green Bank may be willing to provide the loan facility to the Borrower (as hereinafter defined) shall be subject to, inter alia, (i) satisfactory completion by Green Bank of its due diligence process in scope and with results satisfactory to Green Bank in Green Bank's sole and absolute discretion, (ii) the accuracy and completeness of all representations that Borrower makes to Green Bank, (iii) obtaining necessary internal credit approvals and Green Bank Board of Director authorization and the negotiation, execution and delivery of definitive documentation consistent with the proposed terms herein and otherwise satisfactory to Green Bank (iv) no change, occurrence or development shall occur or shall have occurred that has had or could reasonably be expected to have a material adverse effect on the Borrower, its respective businesses or the contemplated collateral for the proposed credit facility and (v)(1) all financial projections concerning the Borrower that have been or are hereafter made available to Green Bank by the Borrower or any of its representatives (or on your or their behalf) (the "Projections") have been or will be prepared in good faith based upon reasonable assumptions and (2) all information, other than Projections, which has been or is hereafter made available to Green Bank by the Borrower or any of its representatives (or on your or their behalf) in connection with any aspect of the transactions contemplated hereby, as and when furnished, is and will be complete and correct in all material respects and does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein not misleading. The pricing and terms included in this Preliminary Term Sheet are based on market conditions on the date hereof and are subject to change.

Borrower: City of New Haven (the "Borrower")

Lender: Connecticut Green Bank

Project: The Union Station Area Thermal Energy Network is a geothermal network located at and serving New Haven's Union Station and certain mixed-income housing developments in close proximity thereof. The project is expected to provide [X] MMBTUs of clean heat.

Loan Facility: Up to \$7,114,410 in up to [X] advances (not more than one advance per month including any advance on the closing date) during the Availability Period (defined below). Each advance must be a minimum size of \$100,000 and will require usual and customary "bring down" of Representations and Warranties, officer certificate, no EoD, etc.

Availability Period: Commencing upon day whereupon 80% of EPA funds are deployed and ending on the sooner to occur of (a) the first business day on or after the 3-year anniversary of the first advance and (b) December 31, 2029. Subject to Borrower and Lender's mutual agreement, the availability period may be extended by two (2) one-year options.

Use of Proceeds: For construction costs at the Project (subject to completion of diligence), payout is subject to construction and development milestones, to be determined. The funds from the facility shall not be used for any

purpose other than the Project, including, but not limited to refinance existing creditors or for distribution to City of New Haven.

Security: Security / collateral to be further defined in the definitive documentation for the Loan Facility.

Interest Rate: 3% per annum, assuming Greenhouse Gas Reduction Funds (GGRF) can be used, calculated on a 360-day basis, payable on the first business day of the month with respect to advances outstanding during the prior month. 4.25% per annum if GGRF cannot or will not be used for this facility.

Loan Maturity Date: The sooner of 1) Borrower's receipt of Investment Tax Credit (ITC) or 2) December 31, 2031.

Loan Structure: 100% of the interest, principal and any remaining fees will be deferred and capitalized until repayment is due on the Loan Maturity Date ("Bridge Loan").

Facility Fee: A one-time facility fee of \$71,144 (1% of the total Loan Facility). This fee can either be 1) paid at closing or 2) deferred and subject to interest, and payable at Loan Maturity Date.

Optional Repayment of Advances: May be prepaid at any time without prepayment premium, subject to any resulting first year Facility Fee.

Mandatory Repayment/Acceleration of Advances: Usual and customary in the event of default, liquidation, and bankruptcy.

Distributions: 100% of project grants and tax credits must be obligated to this project until completion of repayment of advances (which commencement of repayment schedule can be accelerated by Borrower in order to waive this restriction).

Conditions Precedent to Closing: Usual and customary, including, but not limited to, the conditions that on or prior to closing date all transaction fees, costs, and expenses shall have been paid.

Final Due Diligence: Including but not limited to: (i) diligence on Project's design and engineering, (ii) review of contractors' and Borrower's creditworthiness and experience, (iii) review of all grant and tax calculations, applications, and risks, (iv) approval of Green Bank Board of Directors, and (v) legal diligence.

Representations and Warranties: Usual and customary **Affirmative Covenants:** Usual and customary

Negative Covenants: Usual and customary **Events of Default:** Usual and customary **Reporting**

Requirements: Usual and customary, including, but not limited to: (1) monthly reporting of construction progress and spend relative to plan and budget, applications and receipts of grants and tax credits and (2) reporting for GGRF compliance, including but not limited wage data for construction labor and equipment information

Governing Law & Forum: CT

Expiration: In the event definitive documentation is not executed and delivered and the first advance under the Loan Facility effected on or before December 31, 2026, this term sheet and any obligations or other agreements of Green Bank with respect to the Loan Facility shall automatically terminate at such time unless Green Bank, in its sole and absolute discretion, agrees to an extension.

Expenses: The Borrower shall reimburse CGB for the costs and expenses and fees of outside counsel, incurred by CGB in connection with the negotiation, preparation and execution of the Loan Facility, whether or not it closes, up to \$100,000.

Enabling Statute and State Contracting: The Green Bank is subject to the requirements outlined in Sections 16-245n of the Connecticut General Statutes and Borrower will be responsible for complying with applicable state contracting requirements.