



Addendum One

**REQUEST FOR PROPOSAL TO SERVE AS UNDERWRITER OR
PLACEMENT AGENT FOR THE CHICAGO INFRASTRUCTURE TRUST'S
RETROFIT ONE PROJECTS**

September 12, 2013

This Addendum is intended to supplement proposals from firms to serve as underwriter or placement agent in connection with the financing of the Chicago Infrastructure Trust (“CIT”) Retrofit One projects. This Addendum is intended to solicit information about your familiarity with, and expertise in managing and financing, an ESA project or a lease financing.

Through a competitive process, the placement agent will arrange financing for Retrofit One. The financing will be based on energy and operations and maintenance savings resulting from the implementation of the projects. As we have previously indicated, the financing for Retrofit One is intended to fund the following projects:

CITY AGENCY	USE OF FUNDS	FUNDING GOAL	EXPECTED ANNUAL SAVINGS
Chicago Public Schools	241 lighting projects	\$19.5M	\$2.2M
Department of Water Management	Conversion of one pumping station from steam to electric	\$39.6M	\$4.6M
Department of Fleet & Facility Management	208 efficiency projects	\$24.0M	\$2.0M

The placement agent will be expected to identify qualified investors, structure and price potential transactions, develop offering documents and supporting information necessary to complete the financing, provide lending or a direct placement and/or assist the Trust’s advisors in negotiating and closing the financing.

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This Addendum is open to all firms interested in being considered for providing the services outlined in the Request for Proposal ("RFP") previously issued (attached). Responses to this Addendum are due no later than **5:00 p.m. CDT on September 19, 2013**. Electronic responses are acceptable.

If selected, firms will be required to complete Economic Interest Statements and other forms with the City of Chicago and/or the CIT, if they have not already done so as part of the CIT's earlier RFQ process.

Additional Questions for Proposers:

1. Describe your firm's history in ESA financing (may include energy savings performance contracts, leases, shared savings agreements and utility energy service contracts) with large energy services companies.
2. Describe your approach to arranging ESA financing with the City of Chicago's contractors
3. State your firm's placement agent fees (must be all inclusive, including legal).
4. Identify and price any additional services that your firm can provide to support and advance the Trust's retrofit transaction.
5. Provide financing term sheet with indicative pricing (rate & term) for Retrofit One and each of the three separate transactions within Retrofit One.
6. Define documentation you envision being required to capture the contractual commitments (with respect to both the financing and the project mechanics) among the investors, the Trust, the City of Chicago and its Sister Agencies, and pre-selected installation contractors.
7. Describe credit support, if any, that would be required from the City of Chicago or its Sister Agencies in order to make the investment attractive to the investment community
8. Identify the total amount of capital deployed by your firm specifically under an ESA arrangement
9. Provide examples of placement agent or underwriting services you have provided to other municipal and government projects
10. Comment on the feasibility of expanding the ESA to projects for not-for-profit and cultural institutions
11. Is there a way to create a tax-exempt ESA financing? If so, how?
12. Would an ESA impact the credit rating of CPS, the Trust, or the City?
13. Would you require a UCC fixture filing or other security interest in installed, fixed assets?
14. Under what circumstances would lenders be entitled to seize collateral?
15. Who performs M&V for the projects? What is the process for contesting an energy savings measurement?

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Regarding lease structures (assuming that a lease were preferred to an ESA):

1. Provide a financing term sheet with indicative pricing (rate, term and capacity) as well as key terms for a lease financing through the Chicago Infrastructure Trust with lease payments by CPS or DWM. Please provide this term sheet for Retrofit One or for each of the specific projects.
2. Please describe the security structure you would propose to back up the financing, including the cost benefit of any security features. Please indicate whether a public rating would be required.
3. How much time would be required to close a financing for the CPS project (given that lighting has already been installed) and for the DWM project (given that the pumping station is under construction)? Please indicate your ability to close financing by December 31, 2013.
4. How would the involvement of the Chicago Infrastructure Trust in a lease expand leverage capacity for CPS or DWM?
5. How would a lease impact the credit rating of CPS, DWM, The Trust, and the City?
6. Are you able to work with the City's pre-selected contractors and, in some cases, the City or its Sister Agencies themselves as the implementing contractors?

Contact

The CIT's financial advisor, Public Financing Management, Inc., is serving as the sole contact person for this RFP, this Addendum One, and all related questions. Responses, and all inquiries, should be directed to:

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