

**MEMORANDUM OF UNDERSTANDING
BY AND BETWEEN THE
CHICAGO DEPARTMENT OF FLEET AND FACILITY MANAGEMENT,
THE CHICAGO INFRASTRUCTURE TRUST AND NORESKO, LLC**

This Memorandum of Understanding dated as of December 22, 2014 ("MOU"), is made by and between the Chicago Department of Fleet and Facility Management ("2FM" or "CITY") having its principal office located at 30 North LaSalle Street, Suite 300, Chicago, Illinois 60602 and the Chicago Infrastructure Trust ("CIT" or "CUSTOMER") having its principal office located at 35 East Wacker Drive, Suite 1450, Chicago Illinois 60601 and Noresco, LLC ("NORESKO") having its principal office located at One Research Drive, Suite 400C, Westborough, MA 01581

RECITALS

WHEREAS, NORESKO and the CIT entered into a Guaranteed Energy Performance Contract dated April 11, 2014 ("GEPC"), wherein NORESKO was hired to design, implement, and guarantee the energy performance of certain energy conservation measure projects ("ECMs" and each, an "ECM") in certain public facilities operated by 2FM; and

WHEREAS, the CIT and the CITY entered into an Energy Services Agreement dated April 11, 2014 ("ESA"), wherein the CIT is to procure, install, implement, and own certain ECMs on behalf of the CITY; and

WHEREAS, one of the NORESKO ECM projects is the installation of new cooling equipment in the basement of Chicago's City Hall located at 121 N. LaSalle Street, Chicago, IL 60602 ("NEW CHILLER") which is intended to replace the existing Thermal Chicago chilled water utility connection; and

WHEREAS, for the NEW CHILLER project 2FM wishes NORESKO to design, provide, install, and guarantee the performance of a new chilled water system that utilizes two (2) Carrier 23XRV, 250Ton screw chillers, as more particularly described in the Retrofit One Proposed Change Order dated September 20, 2014, in lieu of the six (6) MultiStack 85 ton modular chiller units described in GEPC Exhibit A, Section III – "Detailed Description of ECMs - ECM: New Chiller Installation"; and

WHEREAS, the equipment substitution in the NEW CHILLER ECM project will increase the GEPC contract sum and extend the substantial completion date as defined in Change Order No.: 01 dated October 17, 2014 and executed on December 26, 2014; and

WHEREAS, NORESKO and the CIT and 2FM have agreed to enter into this MOU so as not to revise the Savings Guarantee Commencement Date defined in the GEPC and ESA; and.

NOW, THEREFORE, it is hereby agreed by and between NORESKO and the CIT and 2FM as follows:


1. **Construction Permit.** the Public Building Commission of Chicago ("PBC") acting as agent for the CIT, will work to expedite the issuance of the building permits required for the NEW CHILLER project. It is mutually agreed that should the City fail to issue a construction permit within ten business days from the date that the PBC receives a complete permit application package from NORESKO this will be considered an Excusable Event entitling NORESKO to an extension of time. The complete permit application package must include all of the following and be submitted as one package or else it will be considered incomplete:
 - A. A complete set of drawings for the work to be done, sealed by an architect or professional engineer with the State of Ill.
 - B. A fully completed (EPP) Chicago Building Permit Application
 - C. A letter from a General Contractor on their letterhead, that they have been awarded the contract to do the work. The body of the letter should include the contractor's license

number, and the General Contractors License issuance date and expiration date that is later than June 30, 2015.

- D. Copy of the General Contractor's License
 - E. Refrigeration Permit Application fully completed with stamped plans
 - F. A letter from the Refrigerant Contractor on company letterhead that they have been awarded the contract to do the work. The body of the letter should include their contractor license number or business license number and a copy of their CFC card.
 - G. Fully completed electrical permit application submitted online by an electrical contractor licensed to do work in the City of Chicago
2. **Substantial Completion.** For the purposes of the NEW CHILLER ECM project only, Substantial Completion shall mean the new chillers are installed and mechanically and electrically functional and capable of providing up to 500 tons of chilled water. All equipment provided under the NEW CHILLER ECM project will be warranted for a period of twelve months from the Substantial Completion of the NEW CHILLER ECM project.
3. **Stipulated Savings From April 15, 2015 Through Substantial Completion.** For the purposes of the NEW CHILLER ECM project only, and for the time period of April 15, 2015, ("original project Substantial Completion Date") to the revised Substantial Completion date defined in the Change Order #1, it is mutually agreed that 2FM and CIT agree to accept a stipulated savings sum in lieu of actual savings verified by the Monitoring and Verification protocol defined in the GEPC. The stipulated sum shall be equal to the baseline cost assumption for chilled water supplied by Chicago Thermal minus the electric cost of operating the new Chillers for the period of time from April 15, 2015 to the Date of actual Substantial Completion.
4. **Term of Agreement.** The term of this MOU shall be for the duration of the GEPC.
5. **Liability.** It is understood and agreed that none of the parties to this MOU shall be legally liable for any negligence or wrongful act either of omission or commission chargeable to the other and that this MOU shall not be construed as seeking either to enlarge or diminish any obligation or duty owed by one party against the other or against third parties.


IN WITNESS WHEREOF, the parties have hereunder affixed their respective hands and seal on the day and year below written.

City of Chicago, acting by and through Chicago Dept. of Fleet &
Facility Mgmt. (2FM)



2FM Commissioner

Chicago Infrastructure Trust



Chief Executive Officer

NORESCO, LLC

Senior Vice- President

number, and the General Contractors License issuance date and expiration date that is later than June 30, 2015.

- D. Copy of the General Contractor's License
 - E. Refrigeration Permit Application fully completed with stamped Plans
 - F. A letter from the Refrigerant Contractor on their letterhead that have been awarded the contract to do the work. The body of the letter should include their contractor license number or business license number and a copy of their CFC card.
 - G. Fully completed electrical permit application submitted online by an electrical contractor licensed to do work in the City of Chicago
2. **Substantial Completion.** For the purposes of the NEW CHILLER ECM project only, Substantial Completion shall mean the new chillers are installed and mechanically and electrically functional and capable of providing up to 500 tons of chilled water. All equipment provided under the NEW CHILLER ECM project will be warranted for a period of twelve months from the Substantial Completion of the NEW CHILLER ECM project.
3. **Stipulated Savings From April 15, 2015 Through Substantial Completion.** For the purposes of the NEW CHILLER ECM project only, and for the time period of April 15, 2015, ("original project Substantial Completion Date") to the revised Substantial Completion date defined in the Change Order #1, it is mutually agreed that 2FM and CIT agree to accept a stipulated savings sum in lieu of actual savings verified by the Monitoring and Verification protocol defined in the GEPC. The stipulated sum shall be equal to the baseline cost assumption for chilled water supplied by Chicago Thermal minus the electric cost of operating the new Chillers for the period of time from April 15, 2015 to the Date of actual Substantial Completion.
4. **Term of Agreement.** The term of this MOU shall be for the duration of the GEPC.
5. **Liability.** It is understood and agreed that none of the parties to this MOU shall be legally liable for any negligence or wrongful act either of omission or commission chargeable to the other and that this MOU shall not be construed as seeking either to enlarge or diminish any obligation or duty owed by one party against the other or against third parties.

IN WITNESS WHEREOF, the parties have hereunder affixed their respective hands and seal on the day and year below written.

City of Chicago, acting by and through Chicago Dept. of Fleet &
Facility Mgmt. (2FM)

Chicago Infrastructure Trust

2FM Commissioner

Chief Executive Officer

NORESCO, LLC



Senior Vice- President