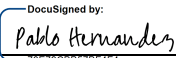


AUDIT WORK ORDER NO. 1

1. This Audit Work Order No. 1 ("Audit Work Order"), executed between NORESCO and Customer and dated July 29, 2022, is issued pursuant to Section 1(a)-(b) of the Energy Services Agreement ("ESA") dated July 29, 2022, between NORESCO and Customer.
2. The terms applicable to this Audit Work Order are set forth in the Terms for Audit Work, attached hereto and incorporated herein.
3. Customer hereby requests that NORESCO complete the Audit Work described in this Audit Work Order and NORESCO agrees to complete the Audit Work described in this Audit Work Order.

By signing below, the Parties agree to the terms of this Audit Work Order.

NORESCO, LLC


Signature: 
DocuSigned by: Pablo Hernandez
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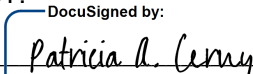

Printed Name: Pablo Hernandez

Title: CFO

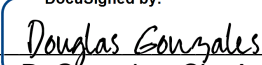
Date: Aug-19-2022

CITY OF HOLLYWOOD, FLORIDA,
a municipal corporation of the State of Florida

By: 
DocuSigned by: Josh Levy, Mayor
B1A796HD4A34FA...

ATTEST:   DS
DocuSigned by: Patricia A. Cerny, MMC
26A7952MMF...
 Patricia A. Cerny, MMC
 City Clerk

APPROVED AS TO FORM & LEGAL
SUFFICIENCY for the use and reliance
of the City of Hollywood, Florida only.


DocuSigned by: Douglas R. Gonzalez
3GONZALESA
 Douglas R. Gonzalez, City Attorney

TERMS FOR AUDIT WORK

1. SERVICES

NORESCO shall provide a Detailed Investment Grade Audit (“IGA”) for the specified City owned or maintained streetlights listed in Section 21. The IGA shall include descriptions of potential ECMs and shall further include the scope of work described in Section 21.

The findings of the IGA will be presented to the Customer in a report (the “IGA Report”). Customer acknowledges that NORESKO is expending significant time and resources on the behalf of the Customer by performing the IGA and preparing the IGA Report and therefore agrees as follows:

- a) Customer shall work exclusively with NORESKO on this IGA for the period in which this Audit Work Order is in place.
- b) Customer shall furnish (or cause its energy suppliers to furnish) to NORESKO, upon its request, accurate and complete data concerning energy usage for the Site. Customer acknowledges that NORESKO shall rely on this data in conducting its audit.
- c) Customer shall require its staff to cooperate fully with NORESKO personnel as NORESKO gathers on-site data required to complete its analysis of the Site. Customer may also provide any prior energy audits or studies of the Site.
- d) Customer will receive an initial IGA Report Summary, and a proposed Construction Work Order. Customer and NORESKO will jointly select efficiency measures to be implemented, and NORESKO will prepare a final IGA Report and Construction Work Order from these selected measures. Both Parties agree that the final Construction Work Order shall be in substantially the same form as the Exhibit C (including attachments) to the Agreement.
- e) Changes to audit scope of work: The quantity, quality, dimensions, type or other characteristics of the audit scope may be changed only by written consent of the Customer and NORESKO via the execution of an audit work order amendment. In addition, the Scope of Services may be reduced or expanded to include other energy efficiency measures and facilities not included within Audit Work Order Section 21 Scope of Audit Work.

The Parties agree that the Audit Cost as described in Section 3 Compensation is based on the Scope of Services in effect as of the date of the Audit Work Order. The Audit Cost shall be adjusted according to the new scope of services and agreed to via audit work order amendment. City will review for validity and substantiating the requested cost increase.

2. TERM

NORESCO shall commence providing services under this Audit Work Order No. 1 on July 29 2022, shall diligently perform as required and complete performance within 120 days.

3. COMPENSATION

In the event that, for any reason, Customer decides not to issue a Construction Work Order for the ECMs described in the applicable Audit Work Order and corresponding IGA that incorporates the cost of such IGA and demonstration project described in section III.C of this document, Customer agrees to pay NORESKO for services satisfactorily rendered pursuant to Audit Work Order in the amount of \$136,860. If such an event occurs, Customer shall pay NORESKO for IGA services rendered within thirty calendar days of receipt of approved invoice and acceptance of services.

4. INDEPENDENT CONTRACTOR

NORESCO, in the performance of this Audit Work Order, shall be and act as an independent contractor. NORESCO understands and agrees that it and all of its employees shall not be considered officers, employees or agents of the Customer, and are not entitled to benefits of any kind or nature normally provided employees of the Customer and/or to which Customer's employees are normally entitled, including, but not limited to, State Unemployment Compensation or Worker's Compensation. NORESCO shall assume full responsibility for payment of all federal, state and local taxes or contributions, including unemployment insurance, social security and income taxes with respect to NORESCO's employees.

5. MATERIALS

NORESCO shall furnish, at its own expense, all labor, materials, transportation, equipment, supplies, subcontractors, and other items necessary to complete the services to be provided pursuant to this Audit Work Order.

6. ORIGINALITY OF SERVICES

NORESCO agrees that all technology, formulae, procedures, processes, methods, writings, IGAs, dialogue, compositions, recordings, teleplays, and video productions prepared for, written for, submitted to the Customer and/or used in connection with this Audit Work Order, shall be wholly original to NORESCO and shall not be copied in whole or in part from any other source, except that submitted to NORESCO by Customer as a basis for such services.

7. OWNERSHIP AND REUSE OF DOCUMENTS

- (a) The original of all documents, including but not limited to drawings, calculations, test results, recommendations, technical specifications, renderings, exhibits, models, prints, photographs, or other materials prepared by NORESCO shall be and remain the property of the Customer.
- (b) Reuse of the design and/or corresponding contract documents or portions thereof by the Customer shall be limited to the Customer and for the benefit of the Customer. When reuse is contemplated, all title blocks and references to NORESCO shall be removed from drawings unless written consent for reuse is given by NORESCO. The Customer shall defend, indemnify and hold NORESCO, its officers, employees and agents harmless from and against any and all liability, loss, expense, attorneys' fees, or claims or injury or damages arising out of the reuse of the design and / or corresponding contract documents or portion thereof, unless Customer obtains written consent of NORESCO in a separate agreement setting forth terms of reuse.

8. TERMINATION OF AUDIT WORK ORDER

- (a) Customer may, at any time, for any reason, terminate this Audit Work Order after first providing ten (10) calendar days written notice. In the event of such termination, Customer shall pay NORESCO within 30 calendar days of such termination for the full reasonable value of its services including direct and indirect costs, expenses, overhead and profit not to exceed the rates indicated in paragraph 3.
- (b) Upon receipt of notification, NORESCO shall stop all work. Segments of partially completed work may be completed during the 30-day period only at the written direction of the Customer and NORESCO shall be compensated fairly for this work. The total compensation paid shall not exceed the amount due according to Paragraph 3.

- (c) NORESKO may, at any time, for any reason, terminate this Audit Work Order after first providing 30 calendar days' notice. In this event, Customer is not obligated to compensate NORESKO for services.
- (c) NORESKO may terminate this Audit Work Order in the event of breach by Customer of any material provisions including, but not limited to, payment or failure to provide NORESKO with access to the Facilities and records described in any Customer obligations in the Scope of Work. Written notice by NORESKO shall contain the reasons for such intention to terminate and unless within 30 calendar days after service of such notice the condition or violation shall cease, or satisfactory arrangements for the correction thereof be made, this Audit Work Order shall upon the expiration of the 30 calendar days cease and terminate. In the event of such termination for cause, Customer shall be responsible for NORESKO's fees incurred to date at the rate indicated in paragraph 3.

9. LIMITATION OF LIABILITY

Notwithstanding anything else in this Agreement, and to the extent permitted by law, NORESKO's total liability, and that of its officers, directors, employees, parents, subsidiaries, agents, affiliates, insurers and subcontractors, whether in contract, tort, strict liability or otherwise, arising in connection with any Audit Work Order (except for personal injuries arising from the Audit Work Order to the extent caused by NORESKO's negligent acts or omissions) shall be limited to the aggregate amount paid by Customer to NORESKO under the applicable Audit Work Order.

Except as otherwise expressly provided herein, no Party nor its respective officers, directors, agents, employees, parent, subsidiaries or affiliates or their officers, directors, agents or employees shall be liable, irrespective of whether such claim of liability is based upon breach of warranty, tort (including negligence, whether of any of the Parties to this Audit Work Order or others), strict liability, contract, operation of law or otherwise, to any other Party, or its parent, subsidiaries, affiliates, officers, directors, agents, employees, successors or assigns, or their respective insureds, for incidental, indirect, punitive or consequential damages, connected with or resulting from performance or non-performance of this Audit Work Order, or anything done in connection therewith, including without limitation claims in the nature of lost revenues, income or profits (other than payments expressly required and properly due under this Audit Work Order), and increased expense of, reduction in or loss of power generation production or equipment used therefor.

10. INSURANCE

Insurance types and limits shall be in accordance with CUSTOMER requirements, as agreed by NORESKO herein, as listed in Section 16 of the Energy Services Agreement.

11. ASSIGNMENT

See Section 21 of the Energy Services Agreement.

12. COMPLIANCE WITH APPLICABLE LAWS

NORESKO agrees to comply with all applicable federal, state and local laws, rules, regulations and ordinances that are now applicable to NORESKO, NORESKO's business, equipment and personnel engaged in operations covered by this Audit Work Order.

13. PERMITS/LICENSES

NORESKO and all NORESKO's employees or agents shall secure and maintain in force such permits and licenses as are required by law in connection with the furnishing of services pursuant to this Audit Work Order. NORESKO may subcontract engineering services to a licensed professional engineer.

14. AFFIRMATIVE ACTION EMPLOYMENT

NORESCO agrees that it will not engage in unlawful discrimination in employment of persons because of race, color, religious creed, national origin, ancestry, physical handicap, marital status, or sex of such persons.

15. NON WAIVER

The failure of Customer or NORESCO to seek redress for violation of, or to insist upon, the strict performance of any term or condition of this Audit Work Order, shall not be deemed a waiver by that Party of such term or condition, or prevent a subsequent similar act from again constituting a violation of such term or condition.

16. NOTICE

All notices or demands to be given under this Audit Work Order by either Party to the other, shall be in writing and given whether by: (a) personal service or (b) by U.S. Mail, mailed either by registered or certified mail, return receipt requested, with postage prepaid. Service shall be considered given when received if personally serviced or if mailed on the third day after deposit in any U.S. Post Office. The address to which notices or demands may be given by either Party may be changed by written notice given in accordance with the notice provisions of this section. At the date of this Audit Work Order, the addresses of the Parties are as follows:

CUSTOMER

Peter Bieniek
CITY OF HOLLYWOOD
Director, Public Works
2600 Hollywood Blvd
Hollywood, FL 33020

NORESCO

Pablo Hernandez
NORESCO, LLC
Vice President
One Research Drive, Suite 400C
Westborough, MA 01581

With a copy to:
NORESCO, LLC Legal Dept.
c/o Carrier
13995 Pasteur Blvd.
Palm Beach Gardens, FL 33418

17. SEVERABILITY

See Section 20 of the Energy Services Agreement.

18. GOVERNING LAW

The terms and conditions of this audit Work Order shall be governed by the laws of the State of Florida without regard to conflicts of law principles.

19. VENUE

In the event of litigation, jurisdiction shall be in United States District Court and venue shall be in the State of Florida.

20. FORCE MAJEURE

See Section 23 of the Energy Services Agreement.

21. SCOPE OF AUDIT WORK

I. GENERAL

A. General Expectations:

The purpose of the IGA is to provide an investment grade analysis that quantifies the size, scope, payback, and firm cost for streetlighting upgrades that may be implemented through a subsequent Construction Work Order.

B. Presentation: The IGA findings shall be presented in an Investment Grade Audit Report in the format prescribed in section V. Tabs or markers shall separate each section of the report. Each table shall be titled and/or numbered and labeled clearly. four packages (one original and 3 copies) of the IGA shall be submitted in three-ring binders.

C. Cash Flow Analysis: A cash flow table shall be provided listing the annual energy and O&M savings, the annual payments, the annual M&V, maintenance, other costs, and the net annual cash flow. Interest rate and applicable escalation rates will be clearly listed. An estimate of the Customer's capitalized interest costs and any available utility rebates will be clearly listed and included in the analysis as appropriate.

II. CALCULATIONS

A. General Calculations: For all calculations, major assumptions will be clearly stated and labeled. When calculating energy savings for more than ECM, interaction between/among the measures will be taken into account.

B. Energy Consumption: Accurate energy consumption and cost data is important to establish a baseline for measuring and evaluating the effectiveness of all recommended actions. Estimates will be used if the necessary information is not available. If estimates are used, the data should be clearly labeled and an explanation will be provided on why monthly records were not available. Procedures used to estimate monthly consumption figures will be presented and clearly explained. In addition, an analysis of the various variables that may affect the baseline will be included. The parties agree adjustment factors for weather, occupancy, and hours of operation shall be mutually determined

C. Calculation of ECM Costs: A firm turnkey cost per ECM shall be provided including all materials and labor to complete the work.

III. SCOPE OF WORK

A. General Scope:

The Investment Grade Audit shall include the following:

1. A summary of the historical energy use as available and cost of the streetlight systems. Energy use anomalies or high costs will be evaluated and recommendations will be made.
2. All ECMs will be developed, designed, and implemented in a way as not to compromise the general guidelines for illumination of exterior spaces or roadways. Evidence will be provided, if appropriate, to demonstrate that the measure will not violate any state or local code or ordinance.

3. ECMs will be developed for financial and construction feasibility. Savings will be verified using engineering calculations and estimates. Cost models will be verified through subcontractor pricing.

B. Streetlighting Scope:

The IGA will include a survey of all city-owned, FDOT-owned, Broward County-owned, and CRA-owned street lighting currently managed by the City. FPL-owned streetlights will not be included in the survey but will be included in the utility billing analysis.

1. Geographic Information System (GIS) audit of existing streetlights – NORESKO will review available Customer and utility records for existing inventory of streetlights and will work with the Customer to determine priority areas, City borders, and/or other areas containing non-City-owned fixtures. NORESKO will collect data on the existing inventory of streetlights and identify on-site characteristics, including but not limited to:
 - The horizontal GPS coordinates (latitude and longitude) of each fixture location
 - Street name
 - Luminaire type
 - Lamp type
 - Luminaire wattage
 - Observed issues (tree interference, pole damage, etc.)
2. Data Reconciliation – NORESKO will conduct a detailed investigation of the Customer's existing inventory records, including utility billing records. NORESKO will reconcile the records with the data from our Audit to confirm ownership and billing record accuracy. In the event we cannot identify a matching utility record with an audited location, we will create an ongoing list of locations to be resolved by the Customer. If the Customer does not provide remedies for reported discrepancy locations prior to the deadline in the schedule for submission of Purchase Order, all locations not resolved will be removed from the Project scope of work.
3. Replacement Plan – NORESKO will provide a street light replacement plan consistent with applicable IES RP-8-14 guidelines or Customer design standards, including brand of fixture, photocell, replacement wattages, color temperatures, and other appropriate settings and options to optimize the LED streetlight retrofit. This will result in a Replacement Plan for all existing streetlights that includes final cost, savings, and payback analysis.

C. Demonstration Streetlight Project

As part of the IGA, NORESKO will furnish and install sample materials as a demonstration project to solicit City staff and constituent feedback of the various technologies recommended in the final proposed solution.

1. Demonstration Project Scope of Work:

- a. Retrofit no more than 13 existing streetlights located in the Emerald Hills neighborhood of Hollywood, FL. Exact streetlights to be retrofitted will be identified in coordination with City staff during the IGA. Retrofits will include the following:
 - i. Furnish and install new LED heads on existing poles. New heads will be Acuity Autobahn series or similar, rated for approximately 40 watts.
 - ii. Furnish and install new “smart” nodes on the new LED heads to include the following functions: light controls, voltage detection, and utility-grade metering. Nodes will be UbiCell series or similar.
 - iii. It is assumed that all existing pole bases and conductors are in good condition and no cost for repair or replacement of pole bases or conductors have been included.
- b. Furnish and install one ClearWorld Retroflex residential solar wrap kit (RS260 or RS320 model) to an existing streetlight pole in the Emerald Hills neighborhood. The existing pole selected for the Retroflex installation shall be one of the streetlight poles included in section C.1.a.
- c. Furnish and install two ClearWorld Retroflex systems complete with new poles, new LED heads, and solar wraps in the parking lot of the Hollywood City Hall facility located at 2600 Hollywood Blvd. Exact pole installation location to be determined in coordination with City staff during the IGA.
- d. General assumptions for demonstration project installation.
 - i. Project is based on fair market wage rates. Union labor, Davis Bacon or prevailing wage rates have not been accounted for in this estimate.
 - ii. Work will take place during normal business hours.
 - iii. No minority-owned or disadvantaged business participation has been incorporated.
 - iv. NORESKO will be responsible for properly removing and disposing of any materials made obsolete by this project.
 - v. No abatement of asbestos, lead, or other hazardous materials is included.
 - vi. All applicable permits and inspections for this work will be by NORESKO.
 - vii. All M.O.T plans and implementation will be by NORESKO.
 - viii. Public meetings and noticing for the project by NORESKO in coordination with the City.
 - ix. NORESKO will be responsible for all safety requirements to OSHA standards or higher.

IV. IGA SCHEDULE

Within two (2) weeks of the date that Audit Work Order is fully executed, NORESKO shall submit an audit project schedule for the streetlights with the following milestones:

- Pre-Audit review kickoff meeting date;

- Site visit dates;
- Preliminary recommendations;
- Final IGA Report submittal date (one original and three copies).

V. **FORMAT FOR DETAILED ENERGY AUDIT REPORT**

The format for the Investment Grade Audit Report shall be as follows:

A. **Facility Profile**

1. Baseline Energy Use: Tabular summary of the streetlight historical energy use in the appropriate energy units including source references and analysis of the appropriate variables.
2. Energy Costs: Tabular summary of the facility's historical energy costs and current energy costs based currently applicable rate tariffs.
3. Description of streetlight systems per section B.1:

B. **Utility information**

1. Rate Summary Table, including:
 - energy type
 - unit (in kWh, gals, etc.)
 - average price per unit
 - marginal price per unit, if applicable
 - effective date of prices
 - monthly listing for rates that vary
2. Alternative Rate Options:

If a more favorable rate can be obtained from the utility or other supplier, this alternative should be discussed in this section. If a more favorable rate could be obtained by making a capital improvement, the auditor shall perform cost and savings analysis to determine its feasibility.
3. Rebate and/or Subsidy Opportunities

C. **Savings Opportunities Summary**

1. Summary table of all recommended ECMs.
2. Detailed description of each recommended ECM including the following information:
 - a. a description of the existing systems or equipment,
 - b. a description of the recommended systems or equipment,
 - c. a description of the system scope, major equipment and required components,
 - d. a description of the projected system efficiency levels or performance characteristics of the equipment or other significant physical or operating characteristics,
 - e. a description of the interface with new and existing systems and of the peripheral equipment required for the ECM to achieve operational status,
 - f. a description of the ECM's compatibility with existing systems and the proper O&M procedures required to achieve the measure's maximum savings potential,
 - g. outline specifications and conceptual drawings, diagrams, and manufacturer cut sheets, as appropriate, for the recommended new equipment,
 - h. an analysis of the annual savings and the calculations and other relevant back-up documentation, as well as any additional O&M costs that the facility will incur, and

- i. an estimate of initial costs for design and installation.

D. Measurement & Verification

Measurement & Verification Plan: A detailed plan for measuring and verifying the savings and performance of each ECM. The plan will include definitions of terminology and the methods and procedures for reconciling the verified savings to the guaranteed savings.