

From: [Gabriel, Jason](#)
To: [Hodges, Lawsikia](#)
Subject: FW: Engagement letters
Date: Monday, October 28, 2019 4:33:09 PM
Attachments: [Morgan Stanley Engagement Letter.pdf](#)
[J.P. Morgan Engagement Letter.pdf](#)
[Engagement Letters.pdf](#)

From: Rhode, Lynne C. (City of Jacksonville) [mailto:rhodlc@jea.com]
Sent: Monday, October 28, 2019 3:55 PM
To: Gabriel, Jason
Subject: Engagement letters

EXTERNAL EMAIL: This email originated from a non-COJ email address. Do not click any links or open any attachments unless you trust the sender and know the content is safe.

Jason,
Herschel asked me to send you the ITN-related engagement letters for JP Morgan, Morgan Stanley, and legal counsel. They are attached. Please let me know if you need anything else.
~ Lynne

Lynne C. Rhode
Vice President and Chief Legal Officer
21 West Church Street Jacksonville, FL 32202
Office: (904) 665-4115
Email: rhodlc@jea.com



Florida has a very broad Public Records Law. Virtually all written communications to or from State and Local Officials and employees are public records available to the public and media upon request. Any email sent to or from JEA's system may be considered a public record and subject to disclosure under Florida's Public Records Laws. Any information deemed confidential and exempt from Florida's Public Records Laws should be clearly marked. Under Florida law, e-mail addresses are public records. If you do not want your e-mail address released in response to a public-records request, do not send electronic mail to this entity. Instead, contact JEA by phone or in writing.

July 23, 2019

PERSONAL AND CONFIDENTIAL

Mr. Aaron Zahn, Managing Director and Chief Executive Officer
Mr. Ryan Wannemacher, Chief Financial Officer
JEA
21 West Church Street
Jacksonville, FL 32202

Dear Aaron and Ryan:

Pursuant to our recent discussions, I am pleased to confirm the arrangements under which Morgan Stanley & Co. LLC ("Morgan Stanley") is engaged as of the date hereof (the "Effective Date") by JEA (the "Company", "JEA" or "you") as your financial advisor in connection with the Company's Invitation to Negotiate Various Strategic Alternatives and Partnerships (the "ITN") as well as its analysis and consideration of various potential Transactions (as defined below) that may result from the ITN.

For purposes hereof, the term "Company Group" shall mean the Company, together with the (i) Electric System, which shall include the Bulk Power Supply System and JEA's interest in the Power Park (the "Electric Enterprise Fund"), and/or (ii) the Water and Sewer System, which shall include the District Energy System (the "Water and Sewer Enterprise Fund"), and including, for the avoidance of doubt, any subsidiary which owns or operates the Electric Enterprise Fund and/or the Water and Sewer Enterprise Fund or any entity to which any of the foregoing is transferred. The term "Strategic Transaction" shall mean, whether in one or a series of transactions, (a) any merger, consolidation, joint venture, or other business combination pursuant to which the business of any member of the Company Group is combined with that of any other person (any such person, together with its subsidiaries and affiliates, a "Strategic Partner"); or (b) the acquisition by a Strategic Partner, directly or indirectly, of substantially all of the assets, properties and/or businesses of any member of the Company Group, by way of a direct or indirect purchase, lease, license, exchange, joint venture or other means; the term "Recapitalization Transaction" shall mean, whether in one or a series of transactions, (a) a public-private partnership between a Strategic Partner and the business of any member of the Company Group by way of a direct or indirect purchase, investment, lease, license, concession agreement, or other means; or (b) the reorganization or transfer of assets of any member of the Company Group to another member of the Company Group or to an entity established by the Company for the sole purpose thereof; and the term "Transaction" shall mean any one or more of a Strategic Transaction or a Recapitalization Transaction.

We understand that the Company intends to engage J.P. Morgan Securities LLC ("J.P. Morgan") to act as its financial advisor in connection with the Company's ITN as well as its analysis and consideration of various potential Transactions (as defined below) that may result from the ITN. The terms of J.P. Morgan's engagement by you will be set out

in a separate letter between you and J.P. Morgan, a copy of which will be provided to Morgan Stanley.

During the term of our engagement, Morgan Stanley will

- (a) familiarize itself with the financial condition and business of the Company, including the Electric Enterprise Fund and the Water and Sewer Enterprise Fund, and assist the Company in reviewing the forecast of the Electric Enterprise Fund's and the Water and Sewer Enterprise Fund's projected operating performance prepared by the Company;
- (b) together with the Company's legal counsel and tax and accounting advisors, advise and assist the Company in the management and administration of the ITN process;
- (c) together with the Company's legal counsel and tax and accounting advisors, assist the Company in its evaluation of the ITN responses and development of recommendations related to the optimal course of action;
- (d) assist the Company in familiarizing any prospective Strategic Partner with the financial condition and business of the Company, including the Electric Enterprise Fund's and the Water and Sewer Enterprise Fund's business, as applicable, familiarize itself with the financial condition and business of any Strategic Partner, and advise and assist the Company in considering the relative financial and operational merits and feasibility of one or more potential Transactions and the desirability of effecting a Transaction;
- (e) assist the Company in preparing confidential information memorandums and supporting marketing materials for distribution to potential Strategic Partners, which will describe the business and financial condition of the Company, including the Electric Enterprise Fund and the Water and Sewer Enterprise Fund, as applicable;
- (f) assist the Company in identifying and contacting potential Strategic Partners to ascertain their interest in a Transaction;
- (g) provide financial advice on the appropriate structure, purchase price, and terms and conditions of a Transaction;
- (h) advise and assist the Company with respect to the financial aspects of a Transaction;
- (i) advise and assist the Company in its negotiation of the financial aspects of a Transaction;
- (j) assist the Company in coordinating site visits, meetings, negotiation and discussion sessions, due diligence sessions, management presentations and similar matters with potential Strategic Partners, and assist the Company in populating, and administering, a data room to be used in connection with a Transaction; and
- (k) if requested by the Company, provide such other financial advisory services in connection with any proposed transaction as may be agreed between the Company and Morgan Stanley.

Please be advised that Morgan Stanley does not provide accounting, tax or legal advice. Morgan Stanley may provide its services through or in conjunction with one or more of its affiliates and references in this letter agreement to "Morgan Stanley," "we" and "us" shall, except where the context otherwise requires, include any such affiliates.

As you know, our fees for services depend on the outcome of the assignment and are designed to reflect our contribution to a major corporate objective. It is our practice to charge a "Retainer Fee," which is intended to reimburse us for our time and efforts expended in connection with this assignment. The Retainer Fee for this assignment is a quarterly fee of \$100,000 to be paid in arrears commencing upon execution of this letter agreement.

We will charge a fee of \$3,000,000 for an Opinion (as defined below) by Morgan Stanley in the event an Opinion is requested by the Company. To the extent the Company requests more than one Opinion (and such additional Opinion(s) are in accordance with Morgan Stanley's customary practice), the Opinion Fee for each Opinion (including the first Opinion) shall be \$2,250,000. Any fee payable pursuant to this paragraph is the "Opinion Fee". The Opinion Fee will be payable at the time Morgan Stanley delivers an Opinion, but shall be paid upon the earlier of closing of a Transaction or termination or abandonment of a Transaction.

Payable upon the closing of a Strategic Transaction, we will charge a "Transaction Fee" in an amount equal to the applicable percentage of the Net Consideration (as defined below) set forth below, against which any related Opinion Fee paid will be credited, to the extent not previously credited:

If the Net Consideration (as defined below) is: Applicable % of Net Consideration

- | | |
|--|---|
| (a) Less than or equal to \$3.5 billion | 0.200% on such amount |
| (b) Greater than \$3.5 billion, but less than or equal to \$4.5 billion | the aggregate amount calculated in accordance with clause (a) above plus 0.275% on the amount in excess of \$3.5 billion, but less than or equal to \$4.5 billion |
| (c) Greater than \$4.5 billion, but less than or equal to \$5.5 billion | the aggregate amount calculated in accordance with clause (b) above plus 0.350% on the amount in excess of \$4.5 billion, but less than or equal to \$5.5 billion |
| (d) Greater than \$5.5 billion, but less than or equal to \$6.5 billion | the aggregate amount calculated in accordance with clause (c) above plus 0.425% on the amount in excess of \$5.5 billion, but less than or equal to \$6.5 billion |

- (e) Greater than \$6.5 billion the aggregate amount calculated in accordance with clause (d) above plus 0.500% on the amount in excess of \$6.5 billion

The term "Net Consideration" shall mean the total amount of cash and the fair market value of other property paid or payable in connection with a Transaction (including amounts paid into escrow) to any member of the Company Group, its customers or the City of Jacksonville, less, without duplication, (a) the fees and expenses of Morgan Stanley under this Agreement, (b) \$300 million, and (c) the principal amount of all indebtedness for borrowed money (including related defeasance costs, swap unwind costs and transaction costs) (collectively, "Indebtedness") of the Company outstanding immediately prior to consummation of the Strategic Transaction or, in the case of a sale of assets, all Indebtedness of the Company Group assumed by the Strategic Partner and, in any case, any Indebtedness of the Company Group retired or defeased by the Strategic Partner or issued to the Company Group or the City of Jacksonville in connection with the Strategic Transaction. Net Consideration shall also include, without duplication, the aggregate amount of any cash dividends or other distributions that are outside of the ordinary course and are declared and paid by the Company following the Effective Date, amounts paid by the Company to repurchase any of its securities, or to repay any of its other Indebtedness, in each case outstanding on the date hereof, only to the extent such dividend, repurchase, or repayment is effected in connection with, in response to, or in anticipation of a Transaction or a proposal with respect thereto, plus the sum of the nominal value of any and all rate credits paid or payable to ratepayers in connection with a Transaction, plus any economic development commitments paid or payable to the ratepayers and the City of Jacksonville in connection with a Transaction, and, in the case of a sale of assets, the value of any working capital of the Company (other than cash) not acquired by the Strategic Partner. If the Net Consideration is subject to increase by contingent payments related to future events, the portion of Morgan Stanley's Transaction Fee relating thereto shall be calculated and paid as and when such payments are made, regardless of the date on which it was made, except that amounts held in escrow shall be deemed paid at closing. For the avoidance of doubt, no element of Net Consideration shall be subject to double counting or shall otherwise be included more than once in determining Net Consideration.

In the event that a Recapitalization Transaction is consummated, the Transaction Fee payable to Morgan Stanley shall be \$7.5 million, which shall be payable upon the closing of a Recapitalization Transaction.

If any member of the Company Group receives any payment (the "Break-Up Fee") from another person (excluding any payment as an indemnity or as reimbursement of expenses or liabilities incurred in connection with a proposed Transaction) following or in connection with the termination, abandonment, or failure to occur of any proposed Transaction, then the Company shall pay to Morgan Stanley a "Termination Fee" in an amount equal to 12.5% of the Break-Up Fee (after deducting the Company's out-of-pocket expenses actually incurred in connection with a proposed Transaction) (for the avoidance of doubt, no Termination Fee shall be considered out-of-pocket expenses for purposes of this paragraph) upon the receipt by such member of the Company Group of

the Break-Up Fee, less any Transaction Fees and Opinion Fees paid by the Company; provided that in no event shall the amount payable under this paragraph, together with any such other fees previously paid hereunder, exceed an amount equal to \$7.5 million.

If in lieu of a Transaction, the Company, either directly or through any member of the Company Group, completes another transaction, other than a Transaction, with the assistance of Morgan Stanley, Morgan Stanley and the Company will negotiate in good faith appropriate compensation for Morgan Stanley, which will take into account, among other things, the results obtained and the custom and practice among investment banking firms of comparable standing acting in similar transactions.

Notwithstanding any of the foregoing, in no event shall the compensation received by Morgan Stanley be less than the compensation of any other financial advisor, including J.P. Morgan, retained by the Company in connection with the Transaction. The Company agrees to arrange for payment of Morgan Stanley's fees set forth herein by wire transfer on or before the date(s) specified in this letter agreement.

Upon your request, we will render a financial opinion letter to the Company's Board of Directors in accordance with our customary practice (an "Opinion") as to whether the consideration to be received by the Company and/or its customers in connection with a Transaction is fair from a financial point of view. The terms of our Opinion and the nature and scope of any analysis and investigation we undertake in order to render such Opinion shall be such as we consider appropriate in the circumstances. Any such Opinion will expressly exclude consideration of any compensation or compensation arrangements arising from the Strategic Transaction which benefit any officer, director or employee of the Company (in their capacities as such), or any class of such persons.

Morgan Stanley will rely on the accuracy and completeness, without verifying it independently, of any information we receive or review in connection with this engagement. We will not independently evaluate or appraise any assets or liabilities that may be involved in this engagement, or advise or opine on any related solvency issues. We will assume that any forecasted financial information reflects the best available estimates of future financial performance.

Notwithstanding anything herein to the contrary, Morgan Stanley and the Company agree that the Company (and each of its employees, representatives or other agents) may disclose to any and all persons, without limitation of any kind, the U.S. federal and state income tax treatment and tax structure of the transactions contemplated hereby, and all materials of any kind (including opinions or other tax analyses) that are provided to the Company relating to such tax treatment and tax structure. For this purpose, "tax structure" is limited to facts relevant to the U.S. federal and state income tax treatment of the Transaction and does not include information relating to the identity of the parties, their affiliates, agents or advisors.

If, within two years of the date hereof (and prior to the consummation of a Strategic Transaction that constitutes a change in control of the Company or a Recapitalization Transaction), the Company determines to issue any equity or debt securities through a public or a private placement, enter into a syndicated credit facility or other loan, or undertake any other type of investment banking transaction, other than a Transaction (including any merger, sale, acquisition, divestiture, joint venture or other business

combination, any repurchase by the Company of a significant amount of its securities, any recapitalization of the Company, any spin-off, split-off or other extraordinary dividend of cash, securities or other assets of the Company, or any restructuring of debt securities of the Company (by consent, tender offer or otherwise)) (each an "Alternative Transaction"), the Company shall offer Morgan Stanley (which for purposes of this paragraph, shall include one or more of its designated affiliates) the right to make a proposal to act as manager and bookrunner in the case of any such offering, as placement agent in the case of any such placement, as arranger and bookrunner in the case of any such syndicated credit facility, as lender in the case of any other loan, and as financial advisor or dealer-manager, as applicable, in the case of any such restructuring of debt securities or other investment banking transaction. If the Company and Morgan Stanley agree that Morgan Stanley shall act in any such capacity, the Company and Morgan Stanley will enter into the appropriate form of agreement relating to the type of transaction involved and containing customary terms and conditions acceptable to the Company and Morgan Stanley, including provisions relating to the scope of Morgan Stanley's services, Morgan Stanley's compensation or other appropriate financial arrangements and an indemnification of Morgan Stanley.

The Company acknowledges that the foregoing is neither an express nor implied commitment by Morgan Stanley to act in any such capacity or to purchase or place securities, or to provide or be responsible to provide any financing or other financial services or enter into any other principal transactions, which commitment shall only be set forth in a separate written agreement in customary form for the type of services being provided. In addition, in accordance with its customary practices, Morgan Stanley's policy requires formal approval by the appropriate Morgan Stanley Commitment Committee, or other similar committee, as the case may be, prior to entering into such underwriting, placement, loan or other agreement and, in certain circumstances, derivatives transactions. Morgan Stanley acknowledges that the foregoing is neither an express nor implied commitment by the Company to engage Morgan Stanley to act in any such capacity or to issue securities or to enter into any credit facility or other loan or enter into any other transaction, which commitment shall only be set forth in a separate written agreement in customary form for the type of services being provided.

Without limiting the foregoing, the Company and Morgan Stanley acknowledges and agrees that, if requested in writing by the Company, Morgan Stanley shall consider arranging and / or providing new financing to potential Strategic Partners in connection with a Transaction (the "Financing Package"). Strategic Partners will be informed that Morgan Stanley has been retained as the Company's financial advisor and that there will be no requirement of any type that any Strategic Partner avails itself of the Financing Package being provided by Morgan Stanley, unless and until such Strategic Partner accepts such Financing Package in accordance with its terms. Each of the Company and Morgan Stanley agrees that bids will be considered fully on their merits whether or not such Financing Package is used. During the term of the engagement under the Engagement Letter, unless and until such Strategic Partner executes a financing commitment letter with Morgan Stanley as a financing provider, Morgan Stanley shall not enter into any agreement with any Strategic Partner pursuant to which Morgan Stanley agrees to (i) be the exclusive financing source for such Strategic Partner in connection with the Transactions, or (ii) not provide a Financing Package or other financing to any other Strategic Partner in connection with the Transactions. In the event

that Strategic Partners seek, and Morgan Stanley agrees, to negotiate the terms of such Financing Package prior to submission of their respective bids, the Company understands that Morgan Stanley will establish separate financing teams to work with each of the Strategic Partners that elected to pursue such Financing Package, and each such financing team will conduct due diligence with such Strategic Partner, including, without limitation, with respect to such Strategic Partner's plan and model for the Company. We will instruct the members of each such financing team (i) not to communicate about the Transactions with other firm personnel who are not staffed on their team (other than certain common resources, such as our senior business leaders, which may include, without limitation, heads of or senior members of bank loan and high yield capital markets and leveraged finance, equity and high yield research professionals, bank loan and high yield syndicate professionals, senior investment bankers with industry expertise (other than members of the Advisory Team), credit and credit ratings professionals, internal committee members, and legal, compliance and conflicts clearance departments); (ii) to save information in a drive or folder that only their Morgan Stanley team may access; (iii) to be careful about where they conduct conversations and access materials, particularly if they sit in close proximity to other firm personnel who are not staffed on their team; and (iv) in general, to safeguard confidential information and share such information exclusively with those that need to know such information. No person who is a member of the Advisory Team (as defined below) will become a member of a financing team, except with your prior written consent. None of the Morgan Stanley professionals that are part of any separate financing team working with Strategic Partners as described above will be members of the team of Morgan Stanley professionals providing advisory services to the Company (the "Advisory Team"). We will instruct the members of the Advisory Team (i) except as set forth in the following paragraph, not to communicate about the Transactions with the financing teams (other than certain common resources, such as our senior business leaders, which may include, without limitation, heads of or senior members of bank loan and high yield capital markets and leveraged finance, equity and high yield research professionals, bank loan and high yield syndicate professionals, senior investment bankers with industry expertise, credit and credit ratings professionals, internal committee members, and legal, compliance and conflicts clearance departments; provided that in no event shall any member of the Advisory Team share confidential information of the Company or strategic information regarding the Transaction with any member of any financing team); (ii) to save information in a drive or folder that the financing teams may not access; (iii) to be careful about where they conduct conversations and access materials, particularly if they sit in close proximity to firm personnel who are staffed on a financing team; and (iv) in general, to safeguard confidential information and share such information exclusively with those that need to know such information. Notwithstanding anything contained herein, during the term of this letter agreement, Morgan Stanley shall not act as M&A financial advisor to any party (other than the Company) in connection with a Transaction nor shall Morgan Stanley otherwise advise any party (other than the Company) specifically in connection with a Transaction without the Company's prior written consent. For the avoidance of doubt, the foregoing restriction does not apply to any activities on the "public" side of Morgan Stanley, such as investment management or wealth management services or other related services. In addition, in the event that, during the Tail Period, Morgan Stanley accepts any engagement to act as financial advisor to any party, other than the Company, or to arrange or provide financing to potential Strategic Partners in respect of a Transaction specifically in connection with such Transaction, then Morgan Stanley shall be deemed to

have waived its rights to receive compensation under this letter agreement during the Tail Period.

Notwithstanding anything herein to the contrary, Morgan Stanley agrees to comply with all restrictions and limitations applicable to it under FINRA Rule 5110(f) relating to any termination fees or rights of first refusal set forth herein, including that (a) any right of first refusal granted to Morgan Stanley hereunder to underwrite or participate in any future public offerings, private placements or any other financings that occur subsequent to the execution date of this letter agreement (a "ROFR") shall in no event (i) have a duration of more than two years from (x) the date of commencement of sales of the first public offering contemplated by the ROFR granted in this letter agreement or (y) the date this letter agreement is terminated, or (ii) provide for more than one opportunity to waive or terminate the ROFR in consideration of any payment or fee, and (b) in the event that you terminate this letter agreement and our services hereunder for Cause, you shall have no obligation with respect to such ROFR. In addition, the parties hereto mutually acknowledge and agree that any fees arising from underwriting services provided under a ROFR shall be customary for those types of services. In addition, notwithstanding anything herein to the contrary and for the avoidance of doubt, no termination fee is payable pursuant to this letter agreement with respect to any future public offerings of securities by you or any of your affiliates. For purposes hereof, the term "Cause" shall mean Morgan Stanley's or any of its affiliate's gross negligence, bad faith, or willful misconduct in the performance of its services hereunder.

In addition to any of the foregoing fees for professional services, we will separately bill our reasonable fees of outside counsel relating to the Transaction incurred from time to time, which fees shall not exceed \$200,000 in the aggregate without the Company's prior written consent, which written consent shall not be unreasonably withheld. Except with respect to such fees of outside counsel, Morgan Stanley and the Company have mutually agreed that Morgan Stanley will not seek expense reimbursement in connection with this engagement.

As you know, Morgan Stanley is a global financial services firm engaged in the securities, investment management and individual wealth management businesses. Our securities business is engaged in securities underwriting, trading, hedging and brokerage activities, foreign exchange, commodities and derivatives trading, prime brokerage, as well as providing investment banking, financing and financial advisory services. Morgan Stanley, its affiliates, directors and officers may at any time invest on a principal basis or manage funds that invest, hold long or short positions, finance positions, and may trade or otherwise structure and effect transactions, for their own account or the accounts of its customers, in debt or equity securities or loans of the Company, or any other company, or any currency or commodity, or instrument that may be involved in any of the transactions contemplated herein, or any related derivative instrument. Morgan Stanley and its affiliates may have provided, and may in the future seek to provide, financial advisory and financing services, in each case unrelated to the Transaction, for and may have received compensation from other parties now or that may become involved in any of the transactions contemplated herein. The Company acknowledges that the interests of Morgan Stanley and its affiliates engaged in providing such financial advisory and financing services may differ from those of the Company. Although Morgan Stanley in the course of its other activities and relationships may acquire information about the

Transaction or other entities and persons which may be the subject of the engagement contemplated by this letter agreement, Morgan Stanley shall have no obligation to disclose such information, or the fact that Morgan Stanley is in possession of such information, to the Company or to use such information on the Company's behalf.

The Company agrees that no claim shall be made by the Company (or by any of its subsidiaries or controlled affiliates or any of its or their respective directors, officers or employees) against Morgan Stanley and its affiliates and Morgan Stanley's and each affiliate's respective directors, officers, agents and employees and each other person, if any, controlling Morgan Stanley or its affiliates (each such entity or person being referred to as an "Exculpated Party") to recover, except to the extent that any losses, claims, demands or liabilities of any kind ("Liabilities") or expenses incurred in connection with, relating to or arising out of this letter agreement, the Transaction or any such person's role or services in connection therewith, are finally judicially determined to have resulted primarily from such person's bad faith, gross negligence or willful misconduct, and agrees that neither Morgan Stanley nor any other Exculpated Party shall have any liability (whether direct or indirect, in contract, in tort or otherwise) for, any Liabilities or expenses incurred in connection with, relating to or arising out of this letter agreement, the Transaction or any such person's role or services in connection therewith, except to the extent that any such Liabilities or expenses are finally judicially determined to have resulted primarily from such person's bad faith, gross negligence or willful misconduct.

The Company agrees, and represents to Morgan Stanley that, except to the extent inconsistent with applicable law or governmental or stock exchange regulation, or as may be otherwise waived in writing by Morgan Stanley, (a) if the Company enters into any agreement or arrangement with respect to confidentiality with any potential Strategic Partner, the Company shall require that any such agreement or arrangement shall provide for exculpation and indemnification of Morgan Stanley, in the form attached hereto as Exhibit A, (b) if the Company enters into any agreement or arrangement with respect to, or effects, any Transaction, the Company shall require that any such agreement or arrangement with respect to any Transaction will provide that the Strategic Partner or another party reasonably satisfactory to Morgan Stanley will provide indemnification and contribution in a form reasonably satisfactory to and for the benefit of Morgan Stanley and its affiliates, and Morgan Stanley's and each affiliate's respective directors, officers, agents and employees and each other person, if any, controlling Morgan Stanley or its affiliates with respect to this letter agreement, any Transaction and Morgan Stanley's role in connection therewith, and (c) the Company is responsible for responding to and defending any challenge by any party relating to the Company's authority to enter into, carry out or consummate any aspect of the Transaction.

Except as otherwise required by applicable law or governmental or stock exchange regulation (as reasonably determined by outside counsel to the Company), the Company will treat Morgan Stanley's advice, any material prepared by Morgan Stanley and the terms of the Agreement as confidential and will not disclose them to any third party (other than, on a confidential basis, to its counsel and other advisors in connection with a Transaction, subject always to the terms of the preceding sentence, it being understood that the Company will be responsible for any breach by such counsel or advisors of the provisions of this sentence) in any manner without Morgan Stanley's prior written approval; provided that the Company shall be entitled to utilize the Opinion in connection

with its defense of any action, suit or proceeding relating to any Transaction; provided, further, that the Company may reproduce the Opinion in full in any information statement which the Company must, under any applicable law, file with any government agency, distribute to its stakeholders, or disclose to any local or state government agency and where such filing or disclosure must include the Opinion, or as may reasonably be requested by, or deemed advisable by outside counsel to the Company in connection with a submission to, any governmental, regulatory or legislative body with oversight over a Transaction. In such event, the Company may also include references to Morgan Stanley and summarize the Opinion (in each case in such form as Morgan Stanley shall provide or pre-approve in writing, such approval not to be unreasonably withheld, conditioned, or delayed) in any such document. Morgan Stanley acknowledges that materials provided to the Company by Morgan Stanley in connection with this engagement may be released in response to a public records request pursuant to Florida law; provided that Morgan Stanley, in consultation with counsel to the Company, will be permitted to redact any information not subject to release (such as trade secrets), as permitted by Florida law, and may include appropriate language on all such materials limiting third party reliance with respect to such materials.

Morgan Stanley's financial advice and any material prepared by Morgan Stanley are intended solely for the benefit and use of the senior management and the Board of Directors of the Company (acting in their capacities as such) in considering any Transaction, is not on behalf of, and shall not confer rights or remedies upon, any employee, stakeholder (including without limitation, rate payers, tax payers and the City of Jacksonville) or creditor of the Company or any other person, and may not be used or relied upon for any other purpose (including, for the avoidance of doubt, for purposes of obtaining any approval that may be required in connection with a transaction). Morgan Stanley will act under this letter agreement as an independent contractor with duties and obligations solely to the Company and only as set forth in this letter agreement and not in any other capacity, including as a fiduciary.

It is understood that Morgan Stanley shall have no responsibility or liability to the Company, its affiliates or any other party involved in the Transaction in connection with the advice, opinions or actions of J.P. Morgan in connection with the Transaction and, further, neither Morgan Stanley nor J.P. Morgan shall have any responsibility or liability to the other in connection with the advice or opinions rendered by such party in connection with the Transaction.

Morgan Stanley and the Company each waives any right to trial by jury in any action, claim, suit or proceeding with respect to Morgan Stanley's engagement as financial advisor or its role in connection therewith.

The parties agree that any dispute concerning this letter agreement, the engagement or the confidentiality agreement (including any claim against any Morgan Stanley affiliate) will be resolved in the courts located in Duval County, Florida, and the Company submits to the exclusive jurisdiction of that Duval County for purposes of any such dispute and waives any objections to personal jurisdiction. Both parties agree that New York law applies to any dispute concerning this letter agreement or the engagement (including any claim against any Morgan Stanley affiliate), without regard to principles of conflicts of laws, except that the capacity, power and authority of the Company to enter into this Agreement shall be governed by the laws of the State of Florida.

Our services hereunder may be terminated with or without Cause by you or by Morgan Stanley at any time upon express written notice and without liability or continuing obligation to you or to us (except for any compensation earned and expenses incurred by us to the date of termination and except, in the case of termination by you, for (i) our right to fees pursuant to this letter with respect to the Transaction, if a definitive agreement is executed within 18 months of such termination (the "Tail Period") that subsequently results in a consummated Transaction or payment of a Break-Up Fee, unless the Company terminates this letter agreement for Cause, and (ii) our right to offer to be engaged in connection with any Alternative Transaction that the Company determines to effect, in each case within the Tail Period) and provided that the non-disclosure, governing law and jury trial waiver provisions will remain operative regardless of any such termination.

The parties hereto agree that the terms of this letter agreement shall cover any advice and services provided by Morgan Stanley to the Company prior to the Effective Date to the extent that such advice and services related to any of the matters addressed herein. This letter agreement and the related indemnity and confidentiality agreement represent the entire agreement between the Company and Morgan Stanley with respect to this engagement and may only be amended in writing. This letter agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement. A signed copy of this letter agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this letter agreement.

If the terms of our engagement as set forth in this letter agreement are satisfactory, kindly sign the enclosed copy of this letter agreement and return them to us.

We look forward to working with the Company on this very important assignment.

Very truly yours,

MORGAN STANLEY & CO. LLC

By: 

Name: R. Todd Giardinelli

Title: Managing Director

Accepted and agreed to:

JEA

By: 

Name: Aaron Zahn

Title: Managing Director and Chief Executive Officer

By: 

Name: Ryan Wannemacher

Title: Chief Financial Officer

Date: 7/24/19

Exhibit A

Language for Third-Party NDAs:

The [Third Party] agrees that no claim shall be made by the [Third Party] (or by any of its subsidiaries or controlled affiliates or any of its or their respective directors, officers or employees) against the Company or any of its Representatives, (each such entity or person being referred to as an "Exculpated Party") to recover, and agrees that no Exculpated Party shall have any liability (whether direct or indirect, in contract, in tort or otherwise) for, any losses, claims, demands or liabilities of any kind ("Liabilities") or expenses incurred in connection with, relating to or arising out of this Agreement, the Transaction or any such person's role or services in connection therewith, except to the extent that any such Liabilities or expenses are finally judicially determined to have resulted primarily from such person's bad faith, gross negligence or willful misconduct. The [Third Party] further agrees to indemnify and hold harmless each of the Exculpated Parties (each such entity or person being referred to as an "Indemnified Person") from and against any Liabilities or expenses incurred in connection with, relating to or arising out of a breach of this Agreement by the [Third Party].

J.P.Morgan

July 24, 2019

STRICTLY CONFIDENTIAL

JEA
21 W. Church Street
Jacksonville, Florida
32202

Attention: Mr. Aaron Zahn, Managing Director and Chief Executive Officer
Mr. Ryan F. Wannemacher, Chief Financial Officer

Ladies and Gentlemen:

Pursuant to our recent discussions, we are pleased to confirm the arrangements under which J.P. Morgan Securities LLC ("J.P. Morgan") is engaged, together with the Co-Advisor (as defined below), by JEA (the "Company") to act as its financial advisor in connection with the Company's Invitation to Negotiate Various Strategic Alternatives and Partnerships (the "ITN") as well as its analysis and consideration of various potential Transactions (as defined below) that may result from the ITN. For purposes hereof, the term "Company Group" shall mean the Company, together with the (i) Electric System, which shall include the Bulk Power Supply System and JEA's interest in the Power Park (the "Electric Enterprise Fund"), and/or (ii) the Water and Sewer System, which shall include the District Energy System (the "Water and Sewer Enterprise Fund"), and including, for the avoidance of doubt, any subsidiary which owns or operates the Electric Enterprise Fund and/or the Water and Sewer Enterprise Fund or any entity to which any of the foregoing is transferred. The term "Strategic Transaction" shall mean, whether in one or a series of transactions, (a) any merger, consolidation, joint venture, or other business combination pursuant to which the business of any member of the Company Group is combined with that of any other person (any such person, together with its subsidiaries and affiliates, a "Strategic Partner"); or (b) the acquisition by a Strategic Partner, directly or indirectly, of substantially all of the assets, properties and/or businesses of any member of the Company Group, by way of a direct or indirect purchase, lease, license, exchange, joint venture, or other means; the term "Recapitalization Transaction" shall mean, whether in one or a series of transactions, (a) a public-private partnership between a Strategic Partner and the business of any member of the Company Group by way of a direct or indirect purchase, investment, lease, license, concession agreement, or other means; or (b) the reorganization or transfer of assets of any member of the Company Group to another member of the Company Group or to an entity established by the Company for the sole purpose thereof; and the term "Transaction" shall mean any one or more of a Strategic Transaction or a Recapitalization Transaction.

Section 1. Financial Advisory Services. During the term of this Agreement (as defined below), J.P. Morgan will:

(a) familiarize itself with the financial condition and business of the Company, including the Electric Enterprise Fund and the Water and Sewer Enterprise Fund, and assist the Company in reviewing the forecast of the Electric Enterprise Fund's and the Water and Sewer Enterprise Fund's projected operating performance prepared by the Company;

(b) together with the Company's legal counsel and tax and accounting advisors, advise and assist the Company in the management and administration of the ITN process;

383 Madison Avenue, New York, NY 10179

J.P. Morgan Securities LLC

(c) together with the Company's legal counsel and tax and accounting advisors, assist the Company in its evaluation of the ITN responses and development of recommendations related to the optimal course of action;

(d) assist the Company in familiarizing any prospective Strategic Partner with the financial condition and business of the Company, including the Electric Enterprise Fund's and the Water and Sewer Enterprise Fund's business, as applicable, familiarize itself with the financial condition and business of any Strategic Partner, and advise and assist the Company in considering the relative merits and feasibility of one or more potential Transactions and the desirability of effecting a Transaction;

(e) assist the Company in preparing confidential information memorandums and supporting marketing materials for distribution to potential Strategic Partners, describing the business and financial condition of the Company, including the Electric Enterprise Fund and the Water and Sewer Enterprise Fund, as applicable;

(f) assist the Company in identifying and contacting potential Strategic Partners to ascertain their interest in a Transaction;

(g) provide recommendation on the appropriate structure, purchase price, and terms and conditions of a Transaction;

(h) advise and assist the Company with respect to the financial aspects of a Transaction;

(i) advise and assist the Company in its negotiation of the financial aspects of a Transaction;

(j) if requested, and if J.P. Morgan determines, in its judgment and consistent with its customary practice, that there are facts to support such materials, following public announcement of any Transaction, assist the Company in preparing materials to be shared with the Company's outside legal counsel on a confidential basis, setting forth the financial factors comprising the Company's underlying business purpose for the Transaction and describing the financial and strategic advantages of effecting the Transaction in comparison to the Company not pursuing a Transaction;

(k) assist the Company in coordinating site visits, meetings, negotiation and discussion sessions, due diligence sessions, management presentations and similar matters with potential Strategic Partners, including, if requested, assisting the Company in populating and administering a data room (containing information entirely provided by the Company) to be used in connection with a Transaction; and

(l) if requested by the Company, provide such other M&A financial advisory services in connection with the Transaction as may be agreed in writing between the Company and J.P. Morgan during the term hereof.

In addition, at the Company's request and subject to Section 3 of the attached Standard Terms and Conditions, J.P. Morgan may render an opinion (in writing if so requested) to the Company's Board of Directors (the "Opinion") as to the fairness to the Company, from a financial point of view, of the consideration to be paid in connection with a Transaction. The nature and scope of J.P. Morgan's investigation, as well as the scope, form and substance of the Opinion, shall be such as J.P. Morgan considers appropriate.

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The Company and J.P. Morgan agree that the Standard Terms and Conditions attached hereto form an integral part of this Agreement and are hereby incorporated herein by reference in their entirety. The Company further understands and agrees that J.P. Morgan shall provide its services independently from Morgan Stanley & Co. LLC (the "Co-Advisor") and that J.P. Morgan will not rely upon any services or work performed by the Co-Advisor. Accordingly, the Company agrees that J.P. Morgan shall have no liability to the Company for any actions or omissions of the Co-Advisor.

Section 2. Compensation. The fees payable to J.P. Morgan for the foregoing services shall be as follows:

(a) a retainer fee of \$100,000 per quarter, payable quarterly in arrears for each three-month period or portion thereof during the term of this Agreement, commencing on the Effective Date (as defined below);

(b) a fee of \$3.0 million, which becomes payable at the time J.P. Morgan delivers an Opinion, but which shall be paid upon the earlier of closing of a Transaction or termination or abandonment of a Transaction. To the extent that J.P. Morgan delivers more than one Opinion, the fee shall be \$2.25 million per Opinion. Any fee payable pursuant to this Section 2(b) is the "Opinion Fee". Fees related to delivery of an Opinion(s) shall be credited against any Transaction Fee (as defined below) or against any Break-up Fee (as defined below); provided that, in the event J.P. Morgan is unable to issue an Opinion, no Opinion Fee shall be payable;

(c) a fee (the "Transaction Fee"), (i) payable upon the closing of a Strategic Transaction, in an amount equal to the applicable percentage of the Net Consideration (as defined below) set forth below, against which any related Opinion Fee paid will be credited, to the extent not previously credited; provided that, if the Company requests an Opinion and J.P. Morgan does not deliver an Opinion, the Transaction Fee payable to J.P. Morgan shall be reduced by an amount equal to the greater of (A) the fee the Company pays to obtain an additional Opinion from another investment banking firm (other than the Co-Advisor) in an amount not to exceed \$3.0 million and (B) \$1.5 million:

If the Net Consideration (as defined below) is: Applicable % of Net Consideration

- | | |
|---|---|
| (a) Less than or equal to \$3.5 billion | 0.200% on such amount |
| (b) Greater than \$3.5 billion, but less than or equal to \$4.5 billion | the aggregate amount calculated in accordance with clause (a) above plus 0.275% on the amount in excess of \$3.5 billion, but less than or equal to \$4.5 billion |
| (c) Greater than \$4.5 billion, but less than or equal to \$5.5 billion | the aggregate amount calculated in accordance with clause (b) above plus 0.350% on the amount in excess of \$4.5 billion, but less than or equal to \$5.5 billion |
| (d) Greater than \$5.5 billion, but less than or equal to \$6.5 billion | the aggregate amount calculated in accordance with clause (c) above plus 0.425% on the amount in excess of \$5.5 billion, but less than or equal to \$6.5 billion |
| (e) Greater than \$6.5 billion | the aggregate amount calculated in accordance with clause (d) above plus 0.500% on the amount in |

excess of \$6.5 billion

; or (ii) payable upon the closing of a Recapitalization Transaction, in an amount equal to \$7.5 million; provided, further, that, if, in lieu of a Transaction, the Company, either directly or through any member of the Company Group, completes another transaction, other than a Transaction, with the assistance of J.P. Morgan, J.P. Morgan and the Company will negotiate in good faith appropriate compensation for J.P. Morgan, which will take into account, among other things, the results obtained and the custom and practice among investment banking firms of comparable standing acting in similar transactions;

(d) if any member of the Company Group receives any payment (the "Break-Up Fee") from another person (excluding any payment as an indemnity or as reimbursement of expenses or liabilities incurred in connection with a proposed Transaction) following or in connection with the termination, abandonment, or failure to occur of any proposed Transaction, then the Company shall pay to J.P. Morgan a fee in an amount equal to 12.5% of the Break-Up Fee (after deducting the Company's out-of-pocket expenses actually incurred in connection with a proposed Transaction; provided that no Transaction Fee or Break-Up Fee shall be considered out-of-pocket expenses for purposes hereof) upon the receipt by such member of the Company Group of the Break-Up Fee, less any fees paid by the Company pursuant to Section 2(b) and 2(c); provided that in no event shall the amount payable under this paragraph, together with any such other fees previously paid hereunder, exceed an amount equal to \$7.5 million.

J.P. Morgan will be entitled to receive the compensation provided for above if the events specified above occur (or, in the case of (c) or (d) above, an agreement is entered into which subsequently results in a consummated Strategic Transaction or payment of a Break-Up Fee) during the term of this Agreement or at any time within 18 months after expiration or termination of this Agreement, as the case may be (the "Tail Period"), unless J.P. Morgan terminates this Agreement or the Company terminates this Agreement for Cause (as defined herein). All fees payable hereunder are nonrefundable, but interim fees payable prior to closing of a Transaction, to the extent actually paid, except any fees paid or payable under Section 2(a), shall be credited towards the Transaction Fee. For purposes hereof, the term "Cause" shall mean J.P. Morgan's or any Designated Affiliate's (as defined below) gross negligence, bad faith, or willful misconduct in the performance of its services hereunder or a material breach of its obligations under this Agreement.

The term "Net Consideration" shall mean the total amount of cash and the fair market value of other property paid or payable in connection with a Transaction (including amounts paid into escrow) to any member of the Company Group, its customers or the City of Jacksonville, less, without duplication, (a) the fees and expenses of J.P. Morgan under this Agreement, (b) \$300 million, and (c) the principal amount of all indebtedness for borrowed money (including related defeasance costs, swap unwind costs and transaction costs) (collectively, "Indebtedness") of the Company outstanding immediately prior to consummation of the Strategic Transaction or, in the case of a sale of assets, all Indebtedness of the Company Group assumed by the Strategic Partner and, in any case, any Indebtedness of the Company Group retired or defeased by the Strategic Partner or issued to the Company Group or the City of Jacksonville in connection with the Strategic Transaction. Net Consideration shall also include, without duplication, the aggregate amount of any cash dividends or other distributions that are outside of the ordinary course and are declared and paid by the Company following the Effective Date, amounts paid by the Company to repurchase any of its securities, or to repay any of its other Indebtedness, in each case outstanding on the date hereof, only to the extent such dividend, repurchase, or repayment is effected in connection with, in response to, or in anticipation of a Transaction or a proposal with respect thereto, plus the sum of the nominal value of any and all rate credits paid or payable to ratepayers in connection with a Transaction, plus any economic development commitments paid or payable to the ratepayers and the City of Jacksonville in connection with a Transaction, and, in the case of a sale of assets, the value of any working capital of the Company (other

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than cash) not acquired by the Strategic Partner. For the avoidance of doubt, no element of Net Consideration shall be subject to double counting or shall otherwise be included more than once in determining Net Consideration.

Section 3. Other Assignments. In the event that, within two years of the date hereof (and prior to the consummation of a Strategic Transaction which constitutes a change in control of the Company or Recapitalization Transaction), the Company determines to issue any equity or debt securities through a public or a private placement, enter into a syndicated credit facility or other loan, or undertake any other type of investment banking transaction, other than a Transaction (including any merger, sale, acquisition, divestiture, joint venture or other business combination, any repurchase by the Company of a significant amount of its securities, any recapitalization of the Company, any spin-off, split-off or other extraordinary dividend of cash, securities or other assets of the Company, or any restructuring of debt securities of the Company (by consent, tender offer or otherwise)), the Company shall offer J.P. Morgan (which for purposes of this Section 3, shall include one or more of its Designated Affiliates) the right to make a proposal to act as manager and bookrunner in the case of any such offering, as placement agent in the case of any such placement, as arranger and bookrunner in the case of any such syndicated credit facility, as lender in the case of any other loan, and as financial advisor or dealer-manager, as applicable, in the case of any such restructuring of debt securities or other investment banking transaction. If J.P. Morgan agrees to act in any such capacity, the Company and J.P. Morgan will enter into the appropriate form of agreement relating to the type of transaction involved and containing customary terms and conditions acceptable to the Company and J.P. Morgan, including provisions relating to the scope of J.P. Morgan's services, J.P. Morgan's compensation or other appropriate financial arrangements and an indemnification of J.P. Morgan. Unless specifically covered by a separate agreement setting forth such arrangement, the provisions of Section 1 of the Standard Terms and Conditions shall apply to each such transaction. The Company acknowledges that the foregoing is neither an express nor implied commitment by J.P. Morgan to act in any such capacity or to purchase or place securities, or to provide or be responsible to provide any financing or other financial services or enter into any other principal transactions, which commitment shall only be set forth in a separate written agreement in customary form for the type of services being provided.

Section 4. Expenses and Payments. In addition to J.P. Morgan's fees for professional services, the Company agrees to reimburse J.P. Morgan for, and J.P. Morgan will separately bill its reasonable counsel fees and expenses associated with legal review of Florida statutes and any required administrative legal work related to the Transaction; provided that, if the Company requests J.P. Morgan to deliver an Opinion, the Company agrees to reimburse J.P. Morgan for, and J.P. Morgan will separately bill the fees and expenses of counsel to J.P. Morgan incurred in connection with the preparation and delivery of the Opinion and the preparation or review of any disclosure of the Opinion contemplated by Section 2(d) of the Standard Terms and Conditions; provided, however, that such reasonable fees and expenses of counsel retained by J.P. Morgan (including, but not limited to, in connection with the preparation and delivery of the Opinion and the preparation or review of any public disclosure of the Opinion contemplated by Section 2(d) of the Standard Terms and Conditions) shall not exceed \$200,000 in the aggregate without the Company's consent (such written consent not to be unreasonably withheld). At the Company's request, J.P. Morgan shall provide appropriate supporting documentation in connection with any expenses whose reimbursement is sought hereunder in a form customarily provided by J.P. Morgan for such purposes. For avoidance of doubt, it is understood that, if the Company requests J.P. Morgan to deliver more than one Opinion or the initial version of such public disclosure must be updated with respect to sections which mention J.P. Morgan, then the Company shall be responsible for reimbursing J.P. Morgan for external counsel expenses incurred in connection therewith. All amounts payable under this Agreement are quoted exclusive of value added or similar tax and shall be paid in immediately available funds in U.S. dollars, without setoff and without deduction for any withholding, value-added or other similar taxes, charges, fees or assessments. If the Company is obliged by law to make any deduction or withholding from any such payment or J.P. Morgan makes any payment of any

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taxes, fees, expenses, assessments or other charges (other than taxes imposed on or measured by net income, franchise taxes, and branch profits taxes, in each case, imposed as a result of J.P. Morgan being organized under the laws of, having its principal office in or branch out of which work is being performed with respect to this Agreement in, the jurisdiction imposing such tax), the amount due from the Company in respect of such payment shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding or payment by J.P. Morgan, J.P. Morgan receives a net amount equal to the amount J.P. Morgan would have received had no such deduction or withholding or payment by J.P. Morgan been made. In the event of such deduction or withholding, the Company will deliver promptly to J.P. Morgan such tax receipts or other documentation as it may require.

Section 5. Term. This Agreement will be effective as of July 23, 2019 (the "Effective Date") and will expire on the date twenty-four months after the Effective Date, unless earlier terminated by either party. This Agreement may be earlier terminated with or without cause by the Company or by J.P. Morgan at any time and without liability or continuing obligation to the Company or to J.P. Morgan (except for any accrued fees and expenses incurred by J.P. Morgan to the date of termination or expiration); provided that the provisions of Sections 2, 3 and 4 hereof and Sections 1, 2 and 4 of the Standard Terms and Conditions shall survive any termination or expiration of this Agreement.

Section 6. Municipal Advisor Rules. The Company acknowledges that J.P. Morgan may not be able to perform some of the services the Company may request of J.P. Morgan from time to time to the extent that such services would cause J.P. Morgan to be considered a "municipal advisor" under SEC Rel. No. 34-70462 (Sept. 20, 2013) (such final rules and to the extent referenced therein, Section 975, the "Municipal Advisor Rules") implementing Section 975 ("Section 975") of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

If the terms of our engagement as set forth in this Agreement are satisfactory, kindly sign the enclosed copy of this letter and return it to the undersigned. We look forward to working with the Company on this assignment.

Very truly yours,

J.P. MORGAN SECURITIES LLC

By: 

Managing Director

ANU ANUGWAR.

Accepted and Agreed as of
the Date First Written Above:

JEA

By: 

Aaron Zahn

Managing Director and Chief Executive Officer

By: 

Ryan Wannemacher

Chief Financial Officer

Enclosure

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STANDARD TERMS AND CONDITIONS

The following standard terms and conditions shall be incorporated by reference into the engagement letter, dated July 23, 2019, between JEA and J.P. Morgan Securities LLC to which these terms are attached (the "Engagement Letter"). Capitalized terms used below without definition shall have the meanings assigned to them in the Engagement Letter and any references herein to the "Agreement" shall mean the Engagement Letter together with these Standard Terms and Conditions.

Section 1. Exculpation and Representations.

(a) The Company agrees that no claim shall be made by the Company (or by any of its subsidiaries or controlled affiliates or any of its or their respective directors, officers or employees) against J.P. Morgan, its affiliates, directors, officers, agents and employees and each other person, if any, controlling J.P. Morgan or its affiliates (each such entity or person being referred to as an "Exculpated Party") to recover, except to the extent that any losses, claims, demands or liabilities of any kind ("Liabilities") or expenses incurred in connection with, relating to or arising out of this Agreement, the Transaction or any such person's role or services in connection therewith, are finally judicially determined to have resulted primarily from such person's bad faith, gross negligence or willful misconduct, and agrees that neither J.P. Morgan nor any other Exculpated Party shall have any liability (whether direct or indirect, in contract, in tort or otherwise) for, any Liabilities or expenses incurred in connection with, relating to or arising out of this Agreement, the Transaction or any such person's role or services in connection therewith, except to the extent that any such Liabilities or expenses are finally judicially determined to have resulted primarily from such person's bad faith, gross negligence or willful misconduct.

(b) The Company agrees, and represents to J.P. Morgan that, except to the extent inconsistent with applicable law or governmental or stock exchange regulation, or as may be otherwise waived in writing by J.P. Morgan, (a) if the Company enters into any agreement or arrangement with respect to confidentiality with any potential bidder, the Company shall require that any such agreement or arrangement shall provide for exculpation and indemnification of J.P. Morgan in the form attached as Exhibit A hereto, (b) if the Company enters into any agreement or arrangement with respect to, or effects, any Transaction, the Company shall require that any such agreement or arrangement with respect to any Transaction will provide that the Strategic Partner or another party reasonably satisfactory to J.P. Morgan will provide indemnification and contribution in a form reasonably satisfactory to and for the benefit of J.P. Morgan, its affiliates, directors, officers, agents and employees and each other person, if any, controlling J.P. Morgan or its affiliates with respect to the Agreement, any Transaction and J.P. Morgan's role in connection therewith, and (c) the Company is responsible for responding to and defending any challenge by any party relating to the Company's authority to enter into, carry out or consummate any aspect of the Transaction.

Section 2. Financial Advisory Role, Information, Reliance, Confidentiality, etc.

(a) The Company understands that J.P. Morgan is acting solely as a financial advisor to the Company, is acting as an independent contractor and is not undertaking to provide any legal, accounting or tax advice in connection with its engagement under the Agreement and that J.P. Morgan's role in any due diligence will be limited solely to performing such review as it shall deem necessary to support its own advice and analysis and shall not be on behalf of the Company. The Company agrees that it shall not assert any claim that J.P. Morgan is acting as a fiduciary to the Company in connection with its engagement under the Agreement.

(b) During the term of this Agreement, the Company agrees to use commercially reasonable efforts to provide to J.P. Morgan all information reasonably requested by J.P. Morgan for the

purpose of its engagement under the Agreement and also to provide reasonable access to employees and directors of the relevant members of the Company Group. The Company also agrees that the Company shall notify J.P. Morgan, in writing, in the event it expects to treat the consummated Transaction as a "reportable transaction" within the meaning of Treasury Regulation Section 1.6011-4(b), and the applicable category of "reportable transaction." J.P. Morgan shall be entitled to rely upon and assume, without any obligation of independent verification, the accuracy and completeness of all information that is publicly available and of all information that has been furnished to it by, or on behalf of, the Company Group or any Strategic Partner or otherwise reviewed by J.P. Morgan, and J.P. Morgan shall not assume any responsibility or have any liability therefor. In providing any financial advice as described in the Engagement Letter, J.P. Morgan will rely on the commercial assessments of the Board of Directors of the Company with respect to any Transaction. The decision as to whether or not the Company enters into a Transaction is one that can only be taken by the Company. J.P. Morgan has no obligation to conduct any appraisal of any assets or liabilities or to evaluate the solvency of any member of the Company Group or any Strategic Partner under any applicable laws relating to bankruptcy, insolvency or similar matters. It is specifically agreed that the Company shall be solely responsible for the accuracy and completeness of the memorandum referred to in Section 1(b) of the Engagement Letter.

(c) In order to enable J.P. Morgan to bring relevant expertise to bear on its engagement under the Agreement from among its global affiliates, the Company agrees that J.P. Morgan may share information obtained, directly or indirectly, from the Company Group hereunder with its affiliates who need to know such information in connection with J.P. Morgan's performance of its services hereunder, and may perform such services in conjunction with its affiliates ("Designated Affiliates"), and that any Designated Affiliates performing services hereunder shall be entitled to the benefits and subject to the terms of the Agreement, it being understood that J.P. Morgan will be responsible for any breach of this Agreement by its Designated Affiliates. The Company agrees that, following the earlier of public announcement or closing of any Transaction, J.P. Morgan may, at its option and expense, and upon the prior written approval of the Company, as to form and substance (which consent shall not be unreasonably withheld) place an advertisement or announcement in such newspapers and periodicals as it may determine describing J.P. Morgan's role as financial advisor to the Company. The Company agrees that any press release it may issue announcing a Transaction will contain a reference to J.P. Morgan's role as financial advisor to the Company in connection with such Transaction, and that J.P. Morgan shall have the right to review and pre-approve any reference to it or its role as financial advisor to the Company under the Agreement in any public statement made by any member of the Company Group (such approval not to be unreasonably withheld).

(d) J.P. Morgan's financial advice and any material prepared by J.P. Morgan are intended solely for the benefit and use of the senior management and the Board of Directors of the Company (acting in their capacities as such) in considering a Transaction, is not on behalf of, and shall not confer rights or remedies upon, any stakeholder or creditor of the Company Group or any other person, and may not be used or relied upon for any other purpose (including, for the avoidance of doubt, for purposes of obtaining any approval that may be required in connection with a Transaction). Except as otherwise required by applicable law or governmental or stock exchange regulation (as reasonably determined by outside counsel to the Company), the Company will treat J.P. Morgan's advice, any material prepared by J.P. Morgan and the terms of the Agreement as confidential and will not disclose them to any third party (other than, on a confidential basis, to its counsel and other advisors in connection with a Transaction, subject always to the terms of the preceding sentence, it being understood that the Company will be responsible for any breach by such counsel or advisors of the provisions of this sentence) in any manner without J.P. Morgan's prior written approval; provided that the Company shall be entitled to utilize the Opinion in connection with its defense of any action, suit or proceeding relating to the Transaction; provided, further, that the Company may reproduce the Opinion in full in any information statement which the Company must, under any applicable law, file with any government agency, distribute to its stakeholders, or disclose to any local or state government agency and where such

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filing or disclosure must include the Opinion, or as may reasonably be requested by, or deemed advisable by outside counsel to the Company in connection with a submission to, any governmental, regulatory or legislative body with oversight over a Transaction. In such event, the Company may also include references to J.P. Morgan and summarize the Opinion (in each case in such form as J.P. Morgan shall provide or pre-approve in writing, such approval not to be unreasonably withheld, conditioned, or delayed) in any such document. J.P. Morgan acknowledges that materials provided to the Company by J.P. Morgan in connection with this engagement may be released in response to a public records request pursuant to Florida law; provided that J.P. Morgan, in consultation with counsel to the Company, will be permitted to redact any information not subject to release (such as trade secrets), as permitted by Florida law, and may include appropriate language on all such materials limiting third party reliance with respect to such materials.

(e) Notwithstanding any other provision herein, the Company and each of its employees, representatives or other agents may disclose to any and all persons, without limitation of any kind, the U.S. income and franchise tax treatment and the U.S. income and franchise tax structure of the transactions contemplated hereby and all materials of any kind (including opinions or other tax analyses, if any) that are provided to the Company relating to such tax treatment and tax structure insofar as such treatment and/or structure relates to a U.S. income or franchise tax strategy, if any, provided to the Company by J.P. Morgan or its affiliates.

Section 3. Other Business Relationships.

(a) The Company understands that J.P. Morgan and its affiliates (collectively, "Morgan") comprise a full service securities firm and a commercial bank engaged in securities trading and brokerage activities, as well as providing investment banking, asset management, financing, and financial advisory services and other commercial and investment banking products and services to a wide range of corporations and individuals. In the ordinary course of Morgan's trading, brokerage, asset management, and financing activities, Morgan may at any time hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities, loans or other financial instruments of any Strategic Partner, the Company Group or any other entity with interests with respect to a Transaction. Morgan recognizes its responsibility for compliance with applicable securities laws in connection with such activities.

(b) In addition, Morgan may have and may in the future have investment and commercial banking, trust and other relationships with parties other than the Company, which parties may have interests with respect to the Company Group, a Strategic Partner or a Transaction. Notwithstanding anything contained herein, during the term of the Agreement, Morgan shall not (i) act as M&A financial advisor to any party (other than the Company) in connection with a Transaction or (ii) absent the Company's consent (not to be unreasonably withheld) arrange and/or provide financing to potential Strategic Partners specifically in connection with a Transaction; provided that the foregoing shall not in any event apply to (A) any credit facilities to which Morgan is a party in effect as of the date hereof or (B) any new credit facility, amendment to an existing credit facility, or debt or equity securities offering the proceeds of which are not restricted, in each case so long as Morgan is not aware that the proceeds of any such financing will be used for the purpose of financing a Strategic Partner specifically in connection with a Transaction. In addition, nothing in this Agreement shall be deemed to restrict (C) any ordinary course sales and trading activity undertaken by employees who have not had access to the information received by J.P. Morgan under the Agreement or (D) any private banking or investment management services undertaken by employees who have not had access to the information received by J.P. Morgan under the Agreement. In addition, in the event that, during the Tail Period, Morgan accepts any engagement to act as M&A financial advisor to any party, other than the Company, or to arrange or provide financing to potential Strategic Parties in respect of a Transaction specifically in connection with such Transaction, in either case, in respect of which engagement fees are payable to J.P. Morgan, then J.P. Morgan shall be deemed to have waived its rights to receive compensation under Section 2 of the Engagement Letter during the Tail Period. Although Morgan, in the course of its other relationships, may acquire information about the Company Group, a Transaction, a Strategic Partner or such other parties, Morgan shall have no obligation to disclose such information, or the fact that Morgan is in possession of such information, to the Company or to use such information on the Company's behalf. Furthermore, Morgan may have fiduciary or other relationships whereby Morgan may exercise voting power over securities of various persons, which securities may from time to time include securities of the Company Group, a Strategic Partner, or others with interests with respect to a Transaction. The Company acknowledges that Morgan may exercise such powers and otherwise perform its functions in connection with such fiduciary or other relationships without regard to its relationship to the Company hereunder.

(c) Specifically, the Company acknowledges its understanding that Morgan, in its principal capacity, or portfolio companies in which Morgan has investments, or certain investment funds managed or advised by Morgan (collectively, the "Morgan Investor"), may have passive, non-controlling minority equity investments in one or more potential Strategic Partners. The Company further acknowledges and agrees that, in the event that the Morgan Investor holds such an interest in the ultimate Strategic Partner in the Transaction and, in the reasonable judgment of J.P. Morgan, the investment held by the Morgan Investor in the Strategic Partner in the Transaction is material, J.P. Morgan may not be in a position to render the Opinion referred to in the Engagement Letter or may require, as a condition to rendering the Opinion, that the Company obtain an additional Opinion from

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another investment banking firm (other than the Co-Advisor), the Transaction Fee payable to J.P. Morgan shall be reduced by the fee the Company pays to obtain an additional Opinion from another investment banking firm (other than the Co-Advisor) in an amount not to exceed \$3,000,000. The Company acknowledges its understanding that the interests of the Morgan Investor may differ from those of the Company with respect to the timing, pricing and terms and conditions of a Transaction and otherwise, and the Company expressly waives any conflicts of interest which may result from J.P. Morgan's multiple roles as financial advisor to the Company hereunder and as the Morgan Investor or an affiliate thereof (or of its fund manager or fund advisor). In addition, the Company acknowledges its understanding that no advice or recommendation rendered by J.P. Morgan hereunder shall be deemed a representation that the Morgan Investor (or Morgan in its capacity as manager of or advisor to the Morgan Investor) would approve a Transaction structured in accordance with such advice if its approval were required.

(d) Subject to applicable confidentiality obligations, J.P. Morgan agrees to disclose to the Board of Directors of the Company certain information concerning the depth and breadth of Morgan's material business relationships with the Company and certain potential Strategic Partners as described in this sub-paragraph (d) for the two years preceding the date of such disclosure. J.P. Morgan shall provide the foregoing disclosure at the time that the Board of Directors of the Company is deciding which potential Strategic Partner will be invited to final round negotiations with the Company in connection with a Strategic Transaction. Further, J.P. Morgan confirms that it maintains multiple client relationships across industries and regions and across different product groups, and has, and is required to maintain, conflicts procedures that are designed to identify, manage and monitor potential conflicts of interest. As such, J.P. Morgan has in place policies and procedures which are designed (i) to prevent disclosure of confidential client information outside the firm, (ii) to prevent confidential client information from being used for the benefit of other J.P. Morgan clients, and (iii) to identify and manage potential conflicts of interest. These policies expressly prohibit disclosure of confidential client information outside the firm. These policies also require that confidential client information be disseminated internally only on a need-to-know basis. In addition, J.P. Morgan can confirm that it has a system designed to identify, analyze and avoid or mitigate conflicts of interest which may arise as a result of our multiple relationships with clients around the world who may have competing interests in respect of a particular transaction, including the imposition of walls and information barriers between different product groups and, where appropriate, between deal teams in the same product group. In particular, J.P. Morgan confirms that Morgan officers, directors and employees who have received confidential information and who are providing M&A financial advisory services to the Company hereunder shall not be included in, or share information with, any Morgan deal teams arranging and/or providing financing to any Strategic Partner or the Morgan Investor, save with the Company's consent or where the Company has permitted the disclosure of such information to Strategic Partners and their financing sources generally. J.P. Morgan confirms it understands no Strategic Partner will be directed to, and J.P. Morgan will not require that any Strategic Partner, use Morgan for purposes of providing financing in respect of a Transaction and, for the avoidance of doubt, each of the Company and J.P. Morgan agrees that bids will be considered fully on their merits, whether or not consent in respect of clause (b) above is granted.

Section 4. Miscellaneous.

(a) The Agreement may not be assigned by the Company or J.P. Morgan without the prior written consent of the other. The Agreement constitutes the entire understanding of the parties hereto with respect to the subject matter thereof, supersedes all prior agreements with respect thereto, has been duly authorized and executed by each of the parties hereto and constitutes the legal, binding obligation of each such party.

(b) The Agreement may only be enforced by the parties to it and, with the prior written consent of J.P. Morgan, by any Indemnified Person (for whom the provisions of the Agreement are intended to confer a benefit). Any amendment of the Agreement shall be in writing signed by each of

JEA
July 24, 2019

the parties hereto and the consent of any Indemnified Person other than J.P. Morgan to any amendment, rescission or termination of the Agreement shall not be required. The Agreement may be executed in any number of counterparts, and by each party on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument. Delivery of a counterpart of this Agreement by e-mail attachment or telecopy shall be an effective mode of delivery.

(c) The Agreement, and any claim, controversy or dispute arising under or related to the Agreement, shall be governed by and construed in accordance with the laws of the State of New York without reference to principles of conflicts of law, except that the capacity, power and authority of the Company to enter into this Agreement shall be governed by the laws of the State of Florida. Each of the Company and J.P. Morgan irrevocably and unconditionally submits to the exclusive jurisdiction and venue of any State or Federal court sitting in Duval County, Florida over any action, suit, proceeding, claim or controversy (including without limitation any derivative claim) arising out of or relating to this Agreement, any Transaction or any other matter contemplated hereby. Each of the Company and J.P. Morgan irrevocably and unconditionally waives any objection to the laying of venue of any such action brought in any such court and any claim that any such action has been brought in an inconvenient forum. J.P. Morgan and the Company (on its own behalf and, to the extent permitted by law, on behalf of its shareholders) each waives any right to trial by jury in any action, claim, suit or proceeding with respect to J.P. Morgan's engagement as financial advisor to the Company under the Agreement or its role in connection herewith. Notwithstanding anything to the contrary contained in the Agreement, the Company shall have absolute discretion to refuse to discuss or negotiate a Transaction with any party, approve or reject any and all offers or terms of any offer, and may terminate negotiations with any party at any time, all for any reason (or no reason) whatsoever.

JEA
July 24, 2019

Exhibit A

The Bidder agrees that no claim shall be made by the Bidder (or by any of its subsidiaries or controlled affiliates or any of its or their respective directors, officers or employees) against the Company or any of its Representatives, (each such entity or person being referred to as an "Exculpated Party"), to recover, and agrees that no Exculpated Party shall have any liability (whether direct or indirect, in contract, in tort or otherwise) for any losses, claims, demands or liabilities of any kind ("Liabilities") or expenses incurred in connection with, relating to or arising out of this Agreement, the Transaction or any such person's role or services in connection therewith, except to the extent that any such Liabilities or expenses are finally judicially determined to have resulted primarily from such person's bad faith, gross negligence or willful misconduct. The Bidder further agrees to indemnify and hold harmless each of the Exculpated Parties (each such entity or person being referred to as an "Indemnified Person") from and against any Liabilities or expenses incurred in connection with, relating to or arising out of a breach of this Agreement by the Bidder.

OFFICE OF GENERAL COUNSEL
CITY OF JACKSONVILLE

JASON R. GABRIEL*
GENERAL COUNSEL



CITY HALL, ST. JAMES BUILDING
117 WEST DUVAL STREET, SUITE 480
JACKSONVILLE, FLORIDA 32202

WENDY E. BYNDIGGS
KAREN M. CHASTAIN
DORRIS Q. CHATMAN
JILLERY C. CLINE
JULIA B. DAVIS
STEPHEN M. DURBIN
CHANG D. FINER
GILBERT L. FLETCHER, JR.
SONDRA R. FINER
LORRI L. FRENCH
CHRISTOPHER GARRETT
R. KYLL GAVIN
SIÂN B. GHARAI
SUNAN C. GHANDIN
KATY A. HARRIS
LAWRENCE J. HODGES
SONYA HARRIS HUBER
PAUL HOBBS JOHNSON
EMERSON M. LOUZIA
REJAM M. MAIRY

JAMI S.R. MCCAIN, JR.
WENDY L. MUMMAW
KILLY H. PAPA
TRACY KORI PARO
JACOB J. PAYNE
JON R. PHILLIPS
CHRISTY SHAW POLLOCK
STEPHEN J. POWELL
LYNN C. RHODE
ASHLEY B. RUTHERFORD
TIMOTHY DOUGLAS SAGE
R. ANTHONY SATTIN
JOHN C. SAWYER, JR.
MARGARET M. SHUMAN
SANDRA P. SLUCKWILL
JASON R. TIAL
ADINA THORNTON
KILLY A. WEST
STANLEY M. WILSON
GARY YOUNG

June 28, 2019

*BOARD CERTIFIED CITY, COUNTY
AND LOCAL GOVERNMENT LAW

Mr. Stephen B. Amdur, Esquire
Attorney at Law
Pillsbury Winthrop Shaw Pittman, LLP
31 West 52nd Street
New York, NY 10019

Via Email: stephen.amdur@pillsburylaw.com

Re: Engagement Letter to Provide Legal Services to JEA
Relating to General Corporate and Transactional Matters

Dear Stephen:

This letter is to confirm the engagement of the law firm of Pillsbury Winthrop Shaw Pittman, LLP (the "Firm"), by JEA pursuant to the authorization of the City of Jacksonville, Office of General Counsel ("OGC"). The Firm is being retained to provide legal services as outside counsel to JEA. More specifically, the Firm will provide advice and counsel to JEA in close cooperation and consultation with JEA's management and OGC on the following (collectively, the "scope of services" or "legal services"):

- 1) Advise JEA and OGC on JEA corporate, transactional and litigation matters;
- 2) Advise JEA and OGC on JEA governance matters;
- 3) Advise JEA and OGC on internal and intergovernmental JEA delegation of authority matters;
- 4) Engage third party consultants, subject to prior approval by the JEA and OGC, who may assist with matters beneficial to supporting the matter described; and

- 5) Advise JEA and OGC on all other services as may be required or implied in order to complete the scope of services and such other operational legal matters as requested and approved by JEA and OGC.

The first purpose of this letter is to confirm the Firm's engagement as counsel and to confirm certain information concerning fees and billing, and other terms that will govern our relationship. You will be the Firm's primary contact in the above-referenced matter. Your only client in this matter shall be JEA, and you shall not be in any way deemed to represent the City of Jacksonville or any of its instrumentalities or officials. The hourly rates for the legal services provided by Firm attorneys, paralegals and other support staff in this matter are set forth in your Firm's Addendum Engagement Letter, attached hereto as Exhibit A. Secretarial time will not be billed. In the event that the Firm may, from time to time, recommend that other attorneys and/or paralegals be enlisted to provide assistance on these matters, you will notify OGC when that is recommended to obtain prior written approval and agreement upon the hourly rate for each such person.

This engagement is limited to a "not-to-exceed" amount of \$500,000.00, which amount includes services performed by the Firm and paid by JEA since January 1, 2019, and is governed by the City of Jacksonville Ordinance Code and Charter. The Firm agrees to notify OGC when \$450,000.00 of the budget has been expended and recognizes that the not-to-exceed amount cannot be modified without written amendments authorized in accordance with the Ordinance Code and Charter. No fees or costs shall be billed to JEA beyond the foregoing amount without a written amendment to this engagement letter signed by the Firm and the General Counsel or his designee, and subject to the required and authorized approvals as set forth in the Ordinance Code and Charter. All Client Files (as defined in the Addendum Engagement Letter) created during the retention of the matters at hand are the property of JEA. Upon the conclusion of the matters, or upon a written request by JEA for their production all such Client Files shall be returned to JEA, as contemplated by the Addendum Engagement Letter.

Regarding the matters mentioned above, upon request by JEA or OGC, the Firm shall provide JEA with quarterly projected budgets for work and expenses which the Firm reasonably believes will be necessary to incur in order to properly counsel JEA, subject to OGC review and approval. The Firm will include in these budgets a general description of the tasks expected to be necessary or recommended based on developments in the legal services provided, as well as a general estimate of the range of the range of probable costs and expenses to perform the work. If JEA and OGC determines, based on these budgets, that there are particular items of concern, either as to necessity, strategic advisability, or expense, we will discuss these in good faith with you and will resolve these issues before you will perform the work. If we cannot reach agreement, you may opt to conclude your representation.

The Firm will comply with the Jacksonville Ordinance Code and JEA's travel reimbursement policy. No travel costs exceeding the amounts allowed by such policy will be reimbursed to the Firm. The Firm also agrees to charge JEA the amounts and administrative costs such as photocopying, faxing, delivery, etc. as set forth in the Addendum Engagement Letter, although it is contemplated that billing for such services should be minimal because such services will normally be provided by JEA.

June 28, 2019

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Detailed monthly billings will be submitted each month to JEA Accounts Payable, c/o Kevin Holbrooks, 21 W. Church Street, Jacksonville, Florida and an electronic copies to Lawsikia J. Hodges, Deputy General Counsel, lhodges@coj.net and Lynne Rhode, Senior Vice President and Chief Legal Officer, rhodlc@jea.com. The Firm shall also submit reasonably detailed itemized bills to JEA in tenth-of-an-hour billing increments format and shall break down the tasks performed by each person involved and will identify by initials or name each person who performs the respective tasks to JEA. Payment will be remitted by JEA approximately thirty days following receipt of the billings. The parties will endeavor in good faith to resolve promptly any billing issues as may arise from time to time.

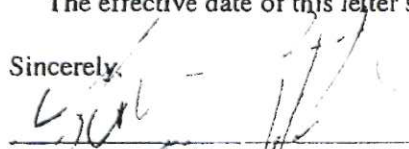
OGC is aware that the nature of the Firm's practice is such that the Firm may from time to time concurrently represent one client in a particular case or matter and an adversary of that client in an unrelated case or matter if it is the Firm's professional judgment that the Firm can undertake the concurrent representation impartially and without any adverse effect on the other responsibilities the Firm has to either client. Additional detail regarding the Firm's practice and conflicts matters are set forth in your Firm's Addendum Engagement Letter.

OGC, may terminate the Firm's representation by delivering a written notice of termination to the Firm. The Firm will also have the right to withdraw from its representation of JEA at any time with OGC's consent or for good cause, or as permitted by the applicable Rules of Professional Conduct, without OGC's consent. If the Firm is discharged or elects to withdraw, the parties will take all steps necessary to free each other of any obligation to perform further, including the execution of any documents necessary to complete the termination of the representation, and will take all steps that are reasonably practicable to protect JEA's interest. If a discharge or withdrawal occurs, the Firm will be entitled to be paid or reimbursed for all authorized costs and expenses paid or incurred on JEA's behalf, and the Firm will be entitled to be paid a reasonable fee for the authorized legal services rendered to the date of termination and for which the Firm previously had not been paid. Notwithstanding anything to the contrary contained herein, it is understood and agreed that in the event of a conflict between the terms of this letter and of the Addendum Engagement Letter, the terms of this letter shall govern.

If this letter correctly reflects your understanding of the scope, terms, and conditions of your representation of JEA, please execute the enclosed copy of this letter in the space provided below and return it to my attention. This letter may be executed in counterparts and by electronic signatures. If you have any questions concerning this letter or your representation, please do not hesitate to contact me.

The effective date of this letter shall be retroactive to January 1, 2019.

Sincerely,



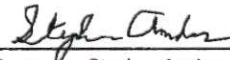
Lawsikia J. Hodges
Deputy General Counsel
Office of General Counsel
City of Jacksonville

June 28, 2019

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The foregoing is approved and agreed to:

Pillsbury Winthrop Shaw Pittman, LLP

By: 

Date: 7/1/2019

Print Name: Stephen Amdur

Title: Partner

Approved:

By: 

Date: 7/2/19

Jason R. Gabriel

General Counsel

Office of General Counsel, City of Jacksonville

I have confirmed that funds are appropriated and can be encumbered to support this retention.



Date: 7/1/2019

Ryan F. Wannemacher

Chief Financial Officer

cc: Lynne Rhode, Senior Vice President and JEA Chief Legal Officer, OGC
Jean Pimental, Office Manager

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Exhibit A

**Pillsbury Winthrop Shaw Pittman LLP
Addendum Engagement Letter**

[To immediately follow this page]



Pillsbury Winthrop Shaw Pittman LLP

31 West 52nd Street | New York, NY 10019-6131 | tel 212.858.1000 | fax 212.858.1500

Stephen B. Amdur
tel:212.858.1135
stephen.amdur@pillsburylaw.com

June 27, 2019

Lynne Rhode
VP & Chief Legal Officer
JEA
21 West Church Street (T-16)
Jacksonville, FL 32202

Dear Lynne:

This letter confirms that JEA ("JEA", or "you") has engaged Pillsbury Winthrop Shaw Pittman LLP ("Pillsbury", or "us") to advise and represent you in the matter described below and provides the terms and conditions of our engagement.

1. Scope of Engagement and Fees. You have asked us to assist you with corporate, transactional, litigation and other matters as you and we may agree.

Our billing policies and procedures, rates, charges for disbursements, and other standard terms of engagement are provided in the Addendum to this letter.

2. Identity of the Client. Unless agreed otherwise in writing, you will be our sole client in this engagement and we will not be representing any of your affiliated or constituent individuals or entities, such as any parent or subsidiary companies, directors, officers, founders, managers, general or limited partners, employees, members, or shareholders.

3. Pillsbury Marketing. You agree that we may list you as a client in our marketing materials and note the general nature of the matters where we have represented you. We will of course preserve any confidential information obtained during the course of our engagement.

4. Advance Conflicts Waiver. Pillsbury is an international law firm that represents many different clients with diverse interests. Many of our clients conduct business or

compete with one another. Our website, www.pillsburylaw.com, describes the types of clients we represent, the locations where we practice, and the matters we typically handle.

In the future, we may be asked to represent a party in a transaction or a dispute that is adverse or potentially adverse to you, where that transaction or dispute is unrelated to the matter involved in this engagement. Under the rules of professional conduct for lawyers in many of the jurisdictions where we practice, we may be precluded from representing a current or new client in a matter adverse or potentially adverse to you, even though that matter is unrelated to this engagement for you, unless we have specific agreement from you in advance that we may do so. In addition, by entering into this agreement you agree that if we represent you in a matter adverse to another person or entity, we may represent such other person or entity on matters not substantially related to our work for you.

In addition, we understand that you engage in business with many businesses, some of which are likely to be our clients. You agree that we may represent you in transactions where the adverse party is a Pillsbury client, but on matters unrelated to our engagement, and you waive the conflict of interest that we would have in representing you in such a matter. You further agree that we need not give you notice that the adverse party is a Pillsbury client unless you specifically ask us whether the adverse party is a Firm client. We will not undertake such a representation of you unless we have a reciprocal waiver from our client that is adverse to you.

Accordingly, you agree that, without your further consent, we may represent and may continue to represent banks, investment banks, private equity funds, hedge funds and other financing sources on a regular basis in matters other than those in which we represent you. You also agree that, in a matter where you are, or may be, advising in connection with a M&A matter, to allow our firm, with separate teams (commonly referred to as "trees") that do not share any information about the related matters (except as may be agreed in respect of any particular subject such as, for example, shared expert diligence) to represent other competing bidders, advisors and financing sources for other bidders. We will not accept an engagement from another client in the situations described above unless we believe that our representation of that other client will not have an adverse effect on the exercise of our independent professional judgment on your behalf in the matters in which we represent you.

Your signature on this letter confirms that you understand and agree that we may take on such matters and that you waive any conflicts that such a future representation might present to the extent such consent and waiver may be required under applicable laws. We will preserve at all times your confidences under applicable rules of professional conduct and this advance waiver does not affect that obligation.

Notwithstanding the foregoing conflicts waiver, at your request, Pillsbury agrees to promptly notify OGC and JEA of any adversity or potentially adversity that may reasonably be expected to result in Pillsbury being opposite JEA in litigation on unrelated matters.

You also acknowledge, by signing this letter, that you have had the opportunity to consult with other counsel about the consequences of granting this advance waiver and that we recommended that you do so.

5. Termination or Withdrawal. Unless otherwise agreed in writing, this engagement will terminate if no services are provided by us for a six-month period, except where we are awaiting an action or decision by a court, tribunal or agency, or specific actions are necessary to complete the engagement that extend beyond the 6-month period.

You may terminate this representation at any time, with or without cause, by providing written notice to us.

We have the right to withdraw from representation of you subject to applicable rules of professional conduct. Before withdrawing we will discuss with you any steps necessary to protect your interests in any ongoing matter including transfer to other legal counsel.

The termination or withdrawal of this engagement will not affect your responsibility to pay for services rendered and charges incurred on your behalf.

6. Arbitration of Disputes. If you disagree with the amount of our fees or other charges, or if you have any concerns about our work for you, please bring that to our attention as soon as possible. In the event any dispute between us arising from or relating to our work cannot be resolved informally, we both agree to forego the right to trial by jury and to resolve any disputes between us, or any disputes you have with any of our lawyers or staff, including but not limited to disputes over fees and charges, exclusively through private and confidential binding arbitration before the American Arbitration Association. The arbitration will be governed by the rules for complex commercial disputes, conducted before one neutral arbitrator unless otherwise agreed, and the arbitrator or arbitrators will be authorized to award any damages or relief that a court of law having jurisdiction over the dispute could award. You acknowledge by signing this letter that you have had the opportunity to consult with other counsel about the consequences of agreeing to binding arbitration and that we recommended that you do so.

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7. Internal Communications. There may be instances where our lawyers and staff find it useful to communicate about their professional obligations with inside or outside counsel for our firm. For example, we may need to determine if a new representation of another client would present a conflict of interest because of our work for you, and if so, the form of waiver required. Another example is where a dispute occurs between you and our firm. You agree that if our lawyers or staff have communications with our inside or outside legal counsel about our work for you, we have your consent to do so, and such communications will be deemed confidential and protected by our firm's attorney-client privilege. Our representation of you shall not waive such privilege and you agree that we will not be obligated to disclose such privileged communications.

8. Additional Engagements. If you request and we agree that our firm undertake additional engagements for you, or represent any of your affiliates, we will do so on the terms and conditions set forth in this letter unless otherwise mutually agreed in writing.

9. Review and execution. Please review this letter carefully and let us know if you have any questions. If these terms are acceptable, please sign and return the enclosed copy, keeping a copy for your files.

June 27, 2019
Page 5

We are pleased to have this opportunity to be of service and we look forward to working with you on the engagement.

Very truly yours,



Stephen B. Amdur
Partner

Accepted and agreed to:

JEA

By: 
Name: Lynne Rhode
Title: VP ELO

Dated: 6.27.19

ADDENDUM
BILLING AND DISBURSEMENTS

1. Our Billing Policies and Procedures. Our fees are based on the number of hours devoted to this engagement. In general, our attorneys' billing rates applicable to this engagement will range from \$525 per hour to \$1,565 per hour, depending on the seniority and expertise of the attorney involved. For paralegal and other professional time, our rates will range from \$220 to \$1,020 per hour.

Our standard hourly rates are adjusted periodically to reflect the advancing experience, capabilities and seniority of our professionals as well as general economic factors. We will provide you with notice of any adjustment in rates for professionals working on your matter.

Other factors may be taken into account in determining our fees and may result in an increase over the rates specified above, including the novelty or difficulty of the legal problems involved, the risks and responsibilities assumed by us, the extent to which unforeseen circumstances arise, the time limitations imposed by you or by circumstances, the seriousness of the consequences of the matter, the results obtained, and other considerations permitted by applicable rules of professional conduct.

In consideration of the scope of the project we have discussed and the risks associated therewith, as discussed and agreed we would apply a discounted, blended rate of \$895 per hour applicable to all timekeepers on such project beginning from and after July 1, 2019.

Fees generally will be billed within 30 days of the month in which the services are rendered, and disbursements and other charges will generally be billed within 30 to 60 days after they are incurred by us. Payment is due upon your receipt of our statement.

The timely payment of our statements is important to us and a critical part of our engagement. If a bill is not paid within 35 days following the date of the statement, you agree that interest on the full amount thereof at the rate of 1% per month will also be due. Interest will commence to run on the 35th day following the date of our statement for all unpaid amounts. Payment of interest does not waive or limit our rights to withdraw from representation for failure to make timely payment of statements when due.

2. Estimates of Fees and Expenses. Any estimates of anticipated fees that we provide at your request, whether for budgeting purposes or otherwise, are only an approximation of what the actual fees will be. Unless we have otherwise agreed in writing, any such estimate is not a maximum or minimum fee quotation, and our fees will be determined based on actual hours incurred as provided above.

3. Disbursements. In the course of our engagement we will use our normal support systems. In addition to our fees for legal services, we will charge separately for certain costs, expense disbursements and taxes, as applicable. A list of our standard charges that may be incurred during the course of the engagement is set forth below.

PILLSBURY WINTHROP SHAW PITTMAN LLP
DISBURSEMENT CHARGE RATES ¹ - USD
as of 01/01/2019

<u>DISBURSEMENT/EXPENSE*</u>	<u>CLIENT CHARGE BASIS</u>
<u>Computer</u>	
Litigation Support Data Hosting charges	\$20 per GB per month
Computer Research (LexisNexis and Westlaw), etc.	Charged based on standard vendor rates per search, less a discount of 30% on Westlaw and LexisNexis searches, plus the hourly rate of the person conducting the search.
<u>Document Preparation</u>	
Convenience Copies, Printing, Scanning	\$0.19 per page – Black and white \$0.44 per page - Color
Copy Center Reproduction and Printing (Photocopies, scans, images, etc.)	\$0.15 per page (for jobs under 3,500 counts) \$0.10 per page (for jobs of 3,500 counts or more)
Oversized Copies	\$0.75 per page
Color Copies	\$0.40 per page (for jobs under 3,500 counts) \$0.35 per page (for jobs of 3,500 counts or more)
Document Binding (Briefs, formal presentation documents, etc.)	\$1.25 per binding
CD Burn	\$5.00 per burn
DVD Burn	\$7.50 per burn
Tabs	\$0.20 per tab
Litigation Preparation (Copying, scanning, etc).	\$0.10 per page (light) \$0.12 per page (medium) \$0.15 per page (heavy) \$0.19 per page (glass work)

For matters involving patent work, we do not handle the payment of maintenance fees or annuities on granted United States or foreign patents. If you do not already have an arrangement for handling these payments, we suggest you consider engaging Computer Patent Annuities (“CPA”) or another similar vendor to handle monitoring and payment of your annuities. CPA,

* There is no charge for postage, faxes or domestic and international phone calls

¹ All other expenses incurred and paid for by the firm on behalf of clients, including express courier service, court services, catering, equipment rental, third party conference calls, cell phone expenses, etc. are charged at cost. Disbursements for large vendor invoices (over \$5000) will be forwarded directly to the client for payment. Alternatively, if the client prefers to have the firm pay the vendor for large invoices and include the disbursement on the next client bill, the firm will do so if the vendor agrees to defer payment of their invoice until the client pays the firm.

which has no affiliation with us, presently handles approximately 1,000,000 renewal payments each year and has relationships with patent and trademark offices in every country in the world. Of course, you can attend to these payments yourself rather than make use of a vendor, but we recommend against doing so. Please inform us as soon as possible which vendor you currently use or plan to engage for payment of maintenance fees and annuities on granted patents.

4. Electronic Discovery Activities and Charges. In the event that your matter involves processing, reviewing and/or producing documents, we may, with your approval, provide certain eDiscovery services to support these activities, including processing of electronic data for culling, analysis and review, hosting of electronic files and databases in one of our eDiscovery platforms ("eDiscovery databases"), assembling and distributing document and data productions, or performing related analytics, technical services and project management tasks. We may also perform research activities on your eDiscovery databases to improve productivity or provide analytic results or insights, consistent with our confidentiality obligations to you.

Our Litigation Support Department maintains resources within the firm's network to facilitate eDiscovery projects, as an alternative to using a third-party vendor or consultants for these services. If you elect to use our Litigation Support Department, you will be charged fees for eDiscovery services at hourly or unit-based (*e.g., per-gigabyte or per-document*) rates, depending on the nature of your project and the type of eDiscovery services we perform. This includes monthly hosting charges based on the volume of eDiscovery databases maintained in our platform on your behalf.

You agree to pay for eDiscovery services performed by us in connection with this engagement, regardless of the outcome of your matter. You authorize us to delete your eDiscovery databases, upon 10 days written notice of our intent to do so, at the conclusion of any eDiscovery project, or upon the termination of this engagement. You further authorize us to take your eDiscovery databases offline if you fall behind on payments to us and agree that we are under no obligation to continue hosting your eDiscovery databases or providing access to them if your account is not current. You also agree that you are entitled to receive a copy of your eDiscovery databases, but only upon written request received by us prior to their deletion, subject to our ordinary hourly rates and media charges and provided your payments to us are up-to-date.

5. Communications, Files and Subpoenas. In working on the engagement, we will preserve communications and documents in either hard-copy or electronic form, depending on the circumstances, as reasonably necessary to represent you. As described below, some of these files belong to you ("Client Files") and some belong to us. The Client Files consist of those electronic and hard-copy documents that are kept in the central file that we maintain for each client matter. Before we transmit the Client Files to you at your request, we will remove administrative documents, purely internal correspondence and drafts of documents or memoranda that we may prepare but do not transmit to you.

In the event we are required to respond to a subpoena or other formal request for records or other information relating to our services for you, including testimony at a deposition, we will consult you before responding to determine if you want to supply the information demanded and/or assert the attorney-client or other privilege that may apply. You agree to reimburse us for the time and expense for responding to such demands, including, without limitation, the time and

expense for searching, locating, reviewing and copying responsive information, appearing at depositions or hearings, and litigating any issues raised at your request.

At the completion or termination of this engagement, you may request in writing the return or disposal of the Client Files. In order to collect and prepare the Client Files for delivery or disposal, we likely will need to spend time and incur expense. You agree to pay us at our regular rates for this time and pay any necessary disbursements. We will give you an estimate of our expected charges promptly after receipt of your written request for transfer or disposal of the files. In our discretion we may make and keep a copy of any Client Files being returned or disposed of at our expense.

If you do not request return of the Client Files, we will maintain them for a period of five years, after which time you agree that we may dispose of them in a confidential manner. Prior to disposal of the Client Files, we will advise you in writing, at the last known address in our files, of our intent to do so in order to give you an opportunity to request the materials. We may dispose of our own files at any time without notice to you.

Please also note that if electronic communications are sent or received by you on a computer or other device that may be accessed by third-parties, the privilege protection that such communications with us might otherwise be afforded may be lost. We therefore strongly encourage you not to use such a device when communicating with us. Please also note that our records may be accessed electronically by all our offices and that we may store records using "cloud computing."

6. Non-legal Services. Because we are a law firm, we provide only legal services. In the engagement we will not provide any investment, insurance, accounting or technical advice, make business decisions, or investigate the character or credit of those with whom you may be dealing.

OFFICE OF GENERAL COUNSEL
CITY OF JACKSONVILLE

JASON R. GABRIEL*
GENERAL COUNSEL



CITY HALL, ST. JAMES BUILDING
117 WEST DUVAL STREET, SUITE 480
JACKSONVILLE, FLORIDA 32202

WENDY E. BYNDLOSS
KAREN M. CHASTAIN
DERREL Q. CHATMON
JEFFERY C. CLOSE
JULIA B. DAVIS
STEPHEN M. DURDEN
CRAIG D. FEISER
GILBERT L. FELTEL, JR.
SONDRA R. FETNER
LOREE L. FRENCH
CHRISTOPHER GARRETT
R. KYLE GAVIN
SEAN B. GRANAT
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ADINA TEODORESCU
KEALEY A. WEST
STANLEY M. WESTON
GABY YOUNG

July 22, 2019

*BOARD CERTIFIED CITY, COUNTY
AND LOCAL GOVERNMENT LAW

Kevin E. Hyde, Esquire
Attorney at Law
Foley & Lardner, LLP
1 Independent Drive, Suite 1300
Jacksonville, Florida 32202

Via Email: KH Hyde@foley.com

Re: Engagement Letter to Provide Legal Services to JEA Relating to Labor,
Employment, Collective Bargaining, Procurement, Regulatory Matters, Securities and
General Corporate and Transational Matters

Dear Kevin:

This letter is to confirm the engagement of the law firm of Foley & Lardner, LLP (the "Firm"), by JEA pursuant to the authorization of the City of Jacksonville, Office of General Counsel ("OGC"). The Firm is being retained to provide legal services as outside counsel to JEA. More specifically, the Firm will provide advice and counsel to JEA in close cooperation and consultation with JEA's management and OGC on the following (collectively, the "scope of services" or "legal services"):

- 1) Advise JEA and OGC in negotiations regarding employee benefits, labor negotiations, collective bargaining and other labor and employment matters.
- 2) Advise JEA and OGC in the legal areas of procurement, regulatory matters, corporate and transactional matters, and litigation matters.

- 3) Prepare and review documents and agreements and develop positions to assist the JEA and OGC evaluate legal responses and strategies related to the legal services;
- 4) Attend conferences, meetings, negotiating sessions and other venues at the request of OGC;
- 5) Engage third party consultants, subject to prior approval by the JEA and OGC, who may assist with matters beneficial to supporting the matter described; and
- 6) Advise JEA and OGC on all other services as may be required or implied in order to complete the scope of services and such other operational legal matters as requested and approved by JEA and OGC.

Foley & Lardner LLP is a limited liability partnership under the laws of Wisconsin. This means OGC's right to recover damages in a legal malpractice action that may exceed our insurance and Firm assets is limited to the personal assets of the attorneys whose acts or omissions gave rise to OGC's claim.

The first purpose of this letter is to confirm the Firm's engagement as counsel and to confirm certain information concerning fees and billing, and other terms that will govern our relationship. You will be the Firm's primary contact in the above-referenced matter. The hourly rates and opportunities for fees and compensation for the legal services provided by Firm attorneys, paralegals and other support staff in this matter shall be the rates as set forth in Exhibit A attached hereto. Secretarial time will not be billed. In the event that the Firm may, from time to time, recommend that other attorneys and/or paralegals be enlisted to provide assistance on these matters, you will notify OGC when that is recommended to obtain prior written approval and agreement upon the hourly rate for each such person.

This engagement is limited to a "not-to-exceed" an initial amount of \$250,000.00, and is governed by the City of Jacksonville Ordinance Code and Charter. The Firm agrees to notify OGC when \$200,000.00 of the budget has been expended and recognizes that the not-to-exceed amount cannot be modified without written amendments authorized in accordance with the Ordinance Code and Charter. No fees or costs shall be billed to JEA beyond the foregoing amount without a written amendment to this engagement letter signed by the Firm and the General Counsel or his designee, and subject to the required and authorized approvals as set forth in the Ordinance Code and Charter. The parties recognize the above amount may be exceeded depending on the volume and complexity of the work to which it may be assigned. All files created during the retention of the matters at hand are the property of JEA. Upon the conclusion of the matters, or upon a written request by JEA for their production, all such files shall be returned to JEA. Notwithstanding anything to the contrary, the Firm is permitted to retain copies of the client file at its expenses pursuant to the applicable ethical authority.

Regarding the matters mentioned above, upon request by JEA or OGC, the Firm shall provide JEA with quarterly projected budgets for work and expenses which the Firm reasonably believes will be necessary to incur in order to properly counsel JEA, subject to OGC review and approval. The Firm will include in these budgets a general description of the tasks expected to be necessary or recommended based on developments in the legal services provided, as well as a general estimate of the range of the range of probable costs and expenses to perform the work. If JEA and OGC determines, based on these budgets, that there are particular items of concern, either as to necessity, strategic advisability, or expense, we will discuss these in good faith with you and will resolve these issues before you will perform the work. If we cannot reach agreement, you may opt to conclude your representation.

The Firm will comply with the Jacksonville Ordinance Code and JEA's travel reimbursement policy. No travel costs exceeding the amounts allowed by such policy will be reimbursed to the Firm. The Firm also agrees to charge JEA the lowest amounts that it charges to other governmental clients for administrative costs such as photocopying, faxing, delivery, etc., although it is contemplated that billing for such services should be minimal because such services will normally be provided by JEA.

Detailed monthly billings will be submitted each month to JEA Accounts Payable, c/o Kevin Holbrooks, 21 W. Church Street, Jacksonville, Florida and an electronic copies to Lawsikia J. Hodges, Deputy General Counsel, lhodges@coj.net, and Lynne Rhode, Senior Vice President and Chief Legal Officer, rhodlc@jea.com. The Firm shall also submit reasonably detailed itemized bills to JEA in tenth-of-an-hour billing increments format and shall break down the tasks performed by each person involved and will identify by initials or name each person who performs the respective tasks to JEA. Payment will be remitted by JEA approximately thirty days following receipt of the billings. The parties will endeavor in good faith to resolve promptly any billing issues as may arise from time to time.

OGC is aware that the nature of the Firm's practice is such that the Firm may from time to time concurrently represent one client in a particular case or matter and an adversary of that client in an unrelated case or matter if it is the Firm's professional judgment that the Firm can undertake the concurrent representation impartially and without any adverse effect on the other responsibilities the Firm has to either client. More specifically, OGC and JEA agree as follows:

a. OGC and JEA agree that, even though the Firm represents the JEA in the matters described here, the Firm may represent in the future other parties who are adversely involved in these matters, or who may later become involved in such matters, as long as that representation of other parties is substantially unrelated to the matters.

b. OGC and JEA agree that the Firm may represent current or new clients in work directly adverse to the JEA; provided such work is not substantially related to the matters described here, and the Firm does not use any of JEA's confidential information in representing such clients. This consent includes our being trial counsel in litigation adverse to JEA. In addition, the OGC and JEA agree that, even though the Firm represents the JEA in the matters described here, the Firm may represent in the future other parties who are adversely involved in such matters, or who may later become involved in such matters. By way of examples only, and assuming such representations are not substantially related to the matters, we may represent one or more parties in bankruptcy cases that may have interests adverse to JEA, we may represent clients with regard to intellectual property rights that may be adverse to those of JEA, or we may represent clients in contract or other business disputes adverse to JEA. The Firm agrees that it will not use any of JEA's confidential information in representing such other clients and, when needed, we will establish an ethical wall to assure that confidential information is not exchanged between those working on the matters described here and those working for such other clients.

c. The Firm represents Whitefish Energy Holdings, LLC ("Whitefish") in connection with a variety of matters, including the outstanding demand letter issue by JEA (the "Whitefish Matter"). Representation of JEA at the Firm may create a conflict or potential conflict of interest because in the

Whitefish Matter, Whitefish's interests are adverse to the interests of JEA. The Firm believes that representation of Whitefish in the Matter will not compromise its relationship with JEA and that the Firm can represent JEA if not JEA and Whitefish consent. By signing this letter, JEA and OGC are expressly consenting to the Firm's representation of Whitefish in the Matter.

d. Our Firm policy requires that any advance waiver of future conflicts be in writing, and by signing and returning a copy of this Agreement, OGC and JEA agree to this advance waiver.

e. In addition, the Firm agrees to promptly provide JEA & OGC with notice of any matter opened for another client in reliance on this advance waiver, to the extent permitted by the Rules of Professional Conduct.

OGC, may terminate the Firm's representation by delivering a written notice of termination to the Firm. The Firm will also have the right to withdraw from its representation of JEA at any time with OGC's consent or for good cause without OGC's consent. If the Firm is discharged or elects to withdraw, the parties will take all steps necessary to free each other of any obligation to perform further, including the execution of any documents necessary to complete the termination of the representation, and will take all steps that are reasonably practicable to protect JEA's interest. If a discharge or withdrawal occurs, the Firm will be entitled to be paid or reimbursed for all authorized costs and expenses paid or incurred on JEA's behalf, and the Firm will be entitled to be paid a reasonable fee for the authorized legal services rendered to the date of termination and for which the Firm previously had not been paid.

Following the conclusion of the Matter, we will maintain the confidentiality of any of OGC's confidential information provided us in accordance with applicable Rules of Professional Conduct. We will attempt to return to OGC any original documents provided by OGC, or provided by a third party, unless OGC provides written authorization to destroy them.

The Firm has internal policies that determine the retention period for closed representation files, which includes all electronic or hard copy records related to the Matter. Therefore, we will retain the files pertaining to the Matter, including material prepared by or for the internal use of our attorneys, for a minimum period of ten (10) years following the conclusion of the Matter. Therefore, if the OGC does not request return of this file material prior to the expiration of the retention period, the Firm reserves the right to destroy it at the end of the defined retention period without further notice to OGC. Upon OGC's reasonable request, the Firm will provide such portions of these file materials to OGC as required by the applicable rules of professional responsibility or other legal requirements. Unless applicable rules of professional responsibility require an earlier return, we may retain such file material pending receipt of payment of any outstanding fees or costs. The Firm reserves the right to retain a copy of OGC's representation files.

Notwithstanding, all files created during the Firm's retention of the matters at hand are the property of JEA. Upon the conclusion of such matters, or upon a written request by JEA for their production, all such files shall be returned to JEA.

Pursuant to Section 119.0701, Florida Statutes, the Firm is required to comply with Florida's

public records laws, specifically to:

1. Keep and maintain public records required by the City to perform the service.
2. Upon request from the City's custodian of public records, provide the City with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided by law.
3. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed, except as authorized by law.
4. Upon completion of this engagement, transfer, at no cost, to the City all public records in your possession and destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements.

IF THERE ARE QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, THE FIRM'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE OFFICE OF GENERAL COUNSEL, 117 WEST DUVAL STREET, SUITE 480, JACKSONVILLE, FLORIDA 32202, (904) 255-5100.

Any dispute over fees and/or costs (a "Dispute"), including the question of arbitrability of such disputes, will be submitted to and settled exclusively by binding arbitration, in accordance with the provisions of this section, subject only to any applicable requirement of law that the parties engage in a preliminary non-binding mediation or arbitration regarding fee disputes. Binding arbitration shall be conducted in accordance with the Federal Arbitration Act and Judicial Arbitration and Mediation Service Comprehensive Rules & Procedures (the "JAMS Rules") or such other JAMS Rules as may be appropriate for the matter. Arbitration shall be held in the Duval County, before an arbitrator selected pursuant to the JAMS Rules who will have no personal or pecuniary interest, either directly or indirectly, from any business or family relationship with either of the parties. All decisions of the arbitrator will be based upon applicable law, be final, binding, and conclusive on the parties.

The parties will equally share the costs of the arbitrator and the arbitration fee (if any). Each party will bear that party's own attorneys' fees and costs, and the prevailing party will not be entitled to reimbursement by the other party of any of its fees or costs incurred in connection with the arbitration hereunder, regardless of any rule to the contrary in the applicable arbitration rules. Either party may seek confirmation of the arbitration award in the County of Duval, Florida, and each party hereby consents to the exclusive jurisdiction and venue of the Circuit Court in and for Duval County, Florida in any claim or action arising hereunder. By signing this Agreement containing this provision, OGC and Foley agree to waive any and all rights to a jury trial regarding any Dispute.

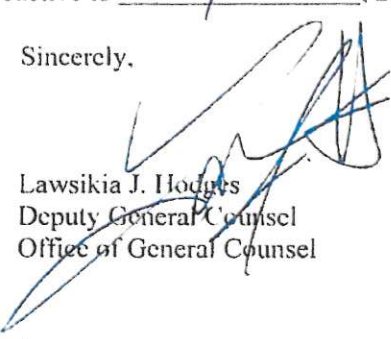
July 22, 2019

Page 6

If this letter correctly reflects your understanding of the scope, terms, and conditions of your representation of JEA, please execute the enclosed copy of this letter in the space provided below and return it to my attention. This letter may be executed in counterparts and by electronic signatures. If you have any questions concerning this letter or your representation, please do not hesitate to contact me.

The effective date of this letter shall be retroactive to July 1, 2019.

Sincerely,

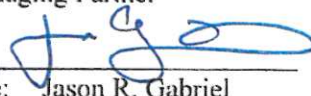

Lawsikia J. Hodges
Deputy General Counsel
Office of General Counsel

The foregoing is approved and agreed to:

Foley & Lardner, LLP


By: 
Print Name: Kevin E. Hyde, Esq.
Office Managing Partner

Date: 7/22/19

By: 
Print Name: Jason R. Gabriel
General Counsel
Office of General Counsel, City of Jacksonville

Date: 7/22/19

I have confirmed that funds are appropriated and can be encumbered to support this retention.


Ryan F. Wannemacher
Chief Financial Officer

Date: 7/22/19

cc: Lynne Rhode, Senior Vice President and JEA Chief Legal Officer, OGC
Jean Pimental, Office Manager

GC-#1290243-v1-Foley Engagement Letter - JEA.docx

GC-#1295813-v1 (pdf)

Standard Rate Schedule

<u>Name</u>	<u>Standard Published Rate</u>	<u>Rate Charged to JEA</u>
Kevin E. Hyde	\$765.00	\$650.00
Robert H. Hosay	\$765.00	\$650.00
Christopher M. Kise	\$975.00	\$830.00
Benjamin J. Grossman	\$705.00	\$600.00
John A. Tucker	\$795.00	\$675.00

If other attorneys are assigned to work on the matter their Standard Published Rate will be discounted accorded to the same percentages reflected above.

OFFICE OF GENERAL COUNSEL
CITY OF JACKSONVILLE

JASON R. GABRIEL*
GENERAL COUNSEL



CITY HALL, ST. JAMES BUILDING
117 WEST DUVAL STREET, SUITE 480
JACKSONVILLE, FLORIDA 32202

ASHLEY B. BENSON
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JASON R. TEAL
ADINA TEODORESCU
MICHAEL B. WEDNER
GABY YOUNG

August 23, 2019

*BOARD CERTIFIED CITY, COUNTY
AND LOCAL GOVERNMENT LAW

John C. Pelham, Esq.
Pennington P.A.
215 South Monroe Street, Suite 200
P.O. Box 10095
Tallahassee, FL 32302-2095

Via Email: john@penningtonlaw.com

Re: Engagement Letter to Provide Legal Services to JEA Relating to Certain
Water and Wastewater Systems, Local Government, and Other Regulatory
Matters

Dear Mr. Pelham:

This letter ("Engagement Letter") is to confirm the engagement ("Engagement") of Pennington P.A. (the "Firm") by JEA pursuant to the authorization of the City of Jacksonville, Office of General Counsel ("OGC") for specialized legal counsel related to providing specialized legal services to JEA in connection with certain water and wastewater systems, local government, and other regulatory matters and to confirm the consent and approval of JEA's Vice President and Chief Legal Officer, Lynne Rhode ("CLO"). More specifically, the Firm will provide the following scope of services to JEA in close cooperation and consultation with JEA's management and the OGC:

The Firm shall assist JEA with certain water and wastewater systems, compliance, interlocal, and other local government and regulatory matters, including JEA ITN 127-19 and the preparation for any transition associated with the recapitalization of JEA and matters related thereto. In addition, the Firm will provide such other services as may be requested by the OGC and reasonably related to the matters described above.

The first purpose of this letter is to confirm the Firm's Engagement as counsel and to confirm certain information concerning fees and billing, and other terms that will govern our relationship. You will be the Firm's primary contact. As agreed, you and the other attorneys and paraprofessionals who may work on

this matter are to bill for this matter at the rates shown on the attached 2019 Standard Rate Schedule. Secretarial time will not be billed. In the event that the Firm may, from time to time, recommend that other attorneys and/or paralegals be enlisted to provide assistance on these matters, you will notify OGC and CLO when that is recommended and obtain prior written approval and agreement upon the hourly rate for each such person. It is anticipated that routine paralegal and attorney support will be provided directly by OGC.

This Engagement is limited to a "not to exceed" amount of Seventy-Five Thousand dollars (\$75,000.00).

The Firm agrees to notify OGC and CLO when Sixty-Five Thousand dollars (\$65,000.00) of the *not to exceed* amount has been expended and recognizes that the *not-to-exceed* amount of \$75,000.00 cannot be modified without written amendments authorized by CLO and OGC. No fees or costs shall be billed to JEA beyond the foregoing amount without a written amendment to this Engagement Letter signed by the Firm and the General Counsel or his designee, and subject to the required and authorized approvals as set forth in the Ordinance Code. All files created during your retention of the matters at hand are the property of JEA. Upon the conclusion of the matters, or upon a written request by the JEA, CLO or OGC for their production, all such files shall be returned to JEA.

The Firm will comply with JEA's travel reimbursement policy. No travel costs exceeding the amounts allowed by such policy will be reimbursed to the Firm. The Firm also agrees to charge the JEA the lowest amounts that it charges to other governmental clients for administrative costs such as photocopying, faxing, delivery, etc., although it is contemplated that billing for such services should be minimal because such services will normally be provided by the OGC.

Detailed monthly billings will be submitted by the 10th of each month to (i) Lynne Rhode, Vice President and Chief Legal Officer, JEA, 21 West Church Street, Jacksonville, FL 32202 and (ii) the Office of General Counsel c/o Lawsikia Hodges, Deputy General Counsel, 117 W. Duval Street, Ste. 480, Jacksonville, FL 32202 with electronic copies to Jill Luster, Executive Staff Assistant at lustjr@jea.com and Jean Pimental, Office Manager at Jeanp@coj.net. The Firm shall also submit reasonably detailed itemized bills to OGC in tenth-of-an-hour billing increments format, and shall break down the tasks performed by each person involved, and will identify by initials or name each person who performs the respective tasks to CLO and OGC. Payment will be remitted by JEA approximately thirty days following receipt of the billings. The parties will endeavor in good faith to resolve promptly any billing issues as may arise from time to time.


JEA is aware that the nature of the Firm's practice is such that the Firm may from time to time concurrently represent one client in a particular case or matter and an adversary of that client in an unrelated case or matter if it is the Firm's professional judgment that the Firm can undertake the concurrent representation impartially and without any adverse effect on the other responsibilities the Firm has to either client. The Firm will provide CLO and OGC with information regarding such matters, and seek a written acknowledgment that such concurrent representation, in unrelated matters, is not inappropriate and consent to any such present or future concurrent representations.

August 23, 2019
Page 3


OGC may terminate the Firm's representation by delivering a written notice of termination to the Firm. The Firm will also have the right to withdraw from its representation of JEA any time with JEA's consent or for good cause without JEA's consent. If the Firm is discharged or elects to withdraw, the parties will take all steps necessary to free each other of any obligation to perform further, including the execution of any documents necessary to complete the termination of the representation, and will take all steps that are reasonably practicable to protect JEA's interests. If a discharge or withdrawal occurs, the Firm, subject to the applicable not-to-exceed amount, will be entitled to be paid or reimbursed for all authorized costs and expenses paid or incurred on JEA's behalf, and the Firm will be entitled to be paid a reasonable fee for the authorized professional services rendered to the date of termination and for which the Firm previously had not been paid.

If this letter correctly reflects your understanding of the scope, terms, and conditions of your representation of JEA, please execute the enclosed copy of this letter in the space provided below and return it to my attention. If you have any questions concerning this letter or your representation, please do not hesitate to call me.

Sincerely,



Lynne C. Rhode, Esq.
VP and Chief Legal Officer, JEA
Office of General Counsel, City of Jacksonville

The foregoing is approved and agreed to:

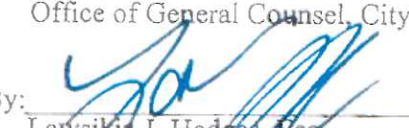
By: 
Shareholder
Pennington, P.A., Firm

Date: 8/23/2019

Approved:

By: 
Jason R. Gabriel, Esq.
General Counsel
Office of General Counsel, City of Jacksonville

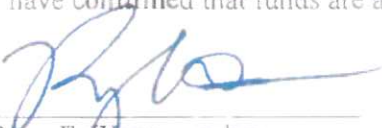
Date: 9/12/19

By: 
Lawsilia J. Hodges, Esq.
Deputy General Counsel
Office of General Counsel, City of Jacksonville

Date: 9-10-19

August 23, 2019
Page 4

I have confirmed that funds are appropriated and can be encumbered to support this retention.



Ryan F. Wannemacher
Chief Financial Officer

Date: 8/27/19

cc: Jill Luster, Executive Staff Assistant
Jean Pimental, Office Manager

2019 Standard (Government) Rate Schedule

John C. Pelham (Shareholder)	\$ 350.00/hr
Gene Adams (Attorney)	\$350.00/hr
Brian Newman (Shareholder)	\$350.00/hr
J. Breck Brannen (Shareholder)	\$350.00/hr

OFFICE OF GENERAL COUNSEL
CITY OF JACKSONVILLE

JASON R. GABRIEL*
GENERAL COUNSEL



CITY HALL, ST. JAMES BUILDING
117 WEST DUVAL STREET, SUITE 480
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JASON R. TEAL
ADINA TEODORESCHI
MICHAEL B. WEDNER
GARY YOUNG

August 26, 2019

* BOARD CERTIFIED CITY, COUNTY
AND LOCAL GOVERNMENT LAW

William ("Ty") Giltinan, Esq.
Carlton Fields
4221 W. Boy Scout Blvd., Suite 1000
Tampa, FL 33607

Via Email: tgiltinan@carltonfields.com

Re: Engagement Letter to Provide Legal Services to JEA Relating to Certain
Cybersecurity, Intellectual Property, and Data Privacy Matters

Dear Mr. Giltinan:

This letter ("Engagement Letter") is to confirm the engagement ("Engagement") of Carlton Fields (the "Firm") by JEA pursuant to the authorization of the City of Jacksonville, Office of General Counsel ("OGC") for specialized legal counsel related to providing specialized legal services to JEA in connection with cybersecurity, certain intellectual property, and data privacy matters and to confirm the consent and approval of JEA's Vice President and Chief Legal Officer, Lynne Rhode ("CLO"). More specifically, the Firm will provide the following scope of services to JEA in close cooperation and consultation with JEA's management and the OGC:

The Firm shall assist JEA in certain cybersecurity, intellectual property, and data privacy matters, including JEA ITN 127-19 and the preparation for any transition associated with the recapitalization of JEA and matters related thereto. In addition, the Firm will provide such other services as may be requested by the OGC and reasonably related to the matters described above.

The first purpose of this letter is to confirm the Firm's Engagement as counsel and to confirm certain information concerning fees and billing, and other terms that will govern our relationship. You will be the Firm's primary contact. As agreed, you and the other attorneys and paraprofessionals who may work on

August 26, 2019

Page 2

this matter are to bill for this matter at the rates shown on the attached 2019 Standard Rate Schedule. Secretarial time will not be billed. In the event that the Firm may, from time to time, recommend that other attorneys and/or paralegals be enlisted to provide assistance on these matters, you will notify OGC and the CLO when that is recommended and obtain prior written approval and agreement upon the hourly rate for each such person. It is anticipated that routine paralegal and attorney support will be provided directly by OGC.

This Engagement is limited to a "not to exceed" amount of Seventy-Five Thousand dollars (\$75,000.00).

The Firm agrees to notify OGC and CLO when Sixty-Five Thousand dollars (\$65,000.00) of the *not to exceed* amount has been expended and recognizes that the *not-to-exceed* amount of \$75,000.00 cannot be modified without written amendments authorized by CLO and OGC. No fees or costs shall be billed to JEA beyond the foregoing amount without a written amendment to this Engagement Letter signed by the Firm and the General Counsel or his designee, and subject to the required and authorized approvals as set forth in the Ordinance Code. All files created during your retention of the matters at hand are the property of JEA. Upon the conclusion of the matters, or upon a written request by the JEA, CLO or OGC for their production, all such files shall be returned to JEA.

The Firm will comply with JEA's travel reimbursement policy. No travel costs exceeding the amounts allowed by such policy will be reimbursed to the Firm. The Firm also agrees to charge the JEA the lowest amounts that it charges to other governmental clients for administrative costs such as photocopying, faxing, delivery, etc., although it is contemplated that billing for such services should be minimal because such services will normally be provided by the OGC.

Detailed monthly billings will be submitted by the 10th of each month to (i) Lynne Rhode, Vice President and Chief Legal Officer, JEA, 21 West Church Street, Jacksonville, FL 32202 and (ii) the Office of General Counsel c/o Lawsikia Hodges, Deputy General Counsel, 117 W. Duval Street, Ste. 480, Jacksonville, FL 32202 with electronic copies to Jill Luster, Executive Staff Assistant at luster@jea.com and Jean Pimental, Office Manager at Jeanp@coj.net. The Firm shall also submit reasonably detailed itemized bills to OGC in tenth-of-an-hour billing increments format, and shall break down the tasks performed by each person involved, and will identify by initials or name each person who performs the respective tasks to CLO and OGC. Payment will be remitted by JEA approximately thirty days following receipt of the billings. The parties will endeavor in good faith to resolve promptly any billing issues as may arise from time to time.

JEA is aware that the nature of the Firm's practice is such that the Firm may from time to time concurrently represent one client in a particular case or matter and an adversary of that client in an unrelated case or matter if it is the Firm's professional judgment that the Firm can undertake the concurrent representation impartially and without any adverse effect on the other responsibilities the Firm has to either client. The Firm will provide CLO and OGC with information regarding such matters, and seek a written acknowledgment that such concurrent representation, in unrelated matters, is not inappropriate and consent to any such present or future concurrent representations.

August 26, 2019

Page 3

OGC may terminate the Firm's representation by delivering a written notice of termination to the Firm. The Firm will also have the right to withdraw from its representation of JEA any time with JEA's consent or for good cause without JEA's consent. If the Firm is discharged or elects to withdraw, the parties will take all steps necessary to free each other of any obligation to perform further, including the execution of any documents necessary to complete the termination of the representation, and will take all steps that are reasonably practicable to protect JEA's interests. If a discharge or withdrawal occurs, the Firm, subject to the applicable not-to-exceed amount, will be entitled to be paid or reimbursed for all authorized costs and expenses paid or incurred on JEA's behalf, and the Firm will be entitled to be paid a reasonable fee for the authorized professional services rendered to the date of termination and for which the Firm previously had not been paid.

If this letter correctly reflects your understanding of the scope, terms, and conditions of your representation of JEA, please execute the enclosed copy of this letter in the space provided below and return it to my attention. If you have any questions concerning this letter or your representation, please do not hesitate to call me.

Sincerely,



Lynne C. Rhode
VP and Chief Legal Officer, JEA
Office of General Counsel, City of Jacksonville

The foregoing is approved and agreed to:

By: 

Date: 8/26/19


SHAREHOLDER
CARLTON FIELDS Firm

Approved:

By: 

Date: 9/12/19

Jason R. Gabriel, Esq.
General Counsel
Office of General Counsel, City of Jacksonville

By: 

Date: 8/28/19

Lawikia J. Hodges, Esq.
Deputy General Counsel
Office of General Counsel, City of Jacksonville

August 26, 2019
Page 4

I have confirmed that funds are appropriated and can be encumbered to support this retention.


Ryan F. Wannemacher
Chief Financial Officer

Date: 8/27/19

cc: Jill Luster, Executive Staff Assistant
Jean Pimental, Office Manager

2019 Standard Rate Schedule

Ty Giltinan:	\$580/hr
Eleanor Yost:	\$580/hr
Coy Stull:	\$490/hr
Jack Clabby:	\$570/hr
Joe Swanson:	\$570/hr
Steve Blickensderfer	\$430/hr

OFFICE OF GENERAL COUNSEL
CITY OF JACKSONVILLE

JASON R. GABRIEL*
GENERAL COUNSEL



CITY HALL, ST. JAMES BUILDING
117 WEST DUVAL STREET, SUITE 480
JACKSONVILLE, FLORIDA 32202

August 26, 2019

*BOARD CERTIFIED CITY, COUNTY
AND LOCAL GOVERNMENT LAW

Susan F. Clark, Esq.
The Radey Law Firm
301 S. Bronough Street, Suite 200
Tallahassee, FL 32301

Via Email: sclark@radeylaw.com

Re: Engagement Letter to Provide Legal Services to JEA
Relating to Utility Licensing and Certain Other Matters

Dear Ms. Clark:

This letter ("Engagement Letter") is to confirm the engagement ("Engagement") of The Radey Law Firm (the "Firm") by JEA pursuant to the authorization of the City of Jacksonville, Office of General Counsel ("OGC") for specialized legal counsel related to providing specialized legal services to JEA in connection with utility licensing and certain other matters and to confirm the consent and approval of JEA's Vice President and Chief Legal Officer, Lynne Rhode ("CLO"). More specifically, the Firm will provide the following scope of services to JEA in close cooperation and consultation with JEA's management and the OGC:

The Firm shall assist JEA in Public Service Commission representation, telecommunications-related matters, various utility permitting and licensing tasks, and certain regulatory matters, including JEA ITN 127-19 and the preparation for any transition associated with the recapitalization of JEA and matters related thereto. In addition, the Firm will provide such other services as may be requested by the OGC and reasonably related to the matters described above.

The first purpose of this letter is to confirm the Firm's Engagement as counsel and to confirm certain information concerning fees and billing, and other terms that will govern our relationship. You will be the Firm's primary contact. As agreed, you and the other attorneys and paraprofessionals who may work on

this matter are to bill for this matter at the rates shown on the attached 2019 Standard Rate Schedule. Secretarial time will not be billed. In the event that the Firm may, from time to time, recommend that other attorneys and/or paralegals be enlisted to provide assistance on these matters, you will notify OGC and CLO when that is recommended and obtain prior written approval and agreement upon the hourly rate for each such person. It is anticipated that routine paralegal and attorney support will be provided directly by OGC.

This Engagement is limited to a "not to exceed" amount of Seventy-Five Thousand dollars (\$75,000.00).

The Firm agrees to notify OGC and CLO when Sixty-Five Thousand dollars (\$65,000.00) of the *not to exceed* amount has been expended and recognizes that the *not-to-exceed* amount of \$75,000.00 cannot be modified without written amendments authorized by CLO and OGC. No fees or costs shall be billed to JEA beyond the foregoing amount without a written amendment to this Engagement Letter signed by the Firm and the General Counsel or his designee, and subject to the required and authorized approvals as set forth in the Ordinance Code. All files created during your retention of the matters at hand are the property of JEA. Upon the conclusion of the matters, or upon a written request by the JEA, CLO or OGC for their production, all such files shall be returned to JEA.

The Firm will comply with JEA's travel reimbursement policy. No travel costs exceeding the amounts allowed by such policy will be reimbursed to the Firm. The Firm also agrees to charge the JEA the lowest amounts that it charges to other governmental clients for administrative costs such as photocopying, faxing, delivery, etc., although it is contemplated that billing for such services should be minimal because such services will normally be provided by the OGC.

Detailed monthly billings will be submitted by the 10th of each month to (i) Lynne Rhode, Vice President and Chief Legal Officer, JEA, 21 West Church Street, Jacksonville, FL 32202 and (ii) the Office of General Counsel c/o Lawsikia Hodges, Deputy General Counsel, 117 W. Duval Street, Ste. 480, Jacksonville, FL 32202 with electronic copies to Jill Luster, Executive Staff Assistant at jluster@jea.com and Jean Pimental, Office Manager at jeanp@coj.net. The Firm shall also submit reasonably detailed itemized bills to OGC in tenth-of-an-hour billing increments format, and shall break down the tasks performed by each person involved, and will identify by initials or name each person who performs the respective tasks to CLO and OGC. Payment will be remitted by JEA approximately thirty days following receipt of the billings. The parties will endeavor in good faith to resolve promptly any billing issues as may arise from time to time.


JEA is aware that the nature of the Firm's practice is such that the Firm may from time to time concurrently represent one client in a particular case or matter and an adversary of that client in an unrelated case or matter if it is the Firm's professional judgment that the Firm can undertake the concurrent representation impartially and without any adverse effect on the other responsibilities the Firm has to either client. The Firm will provide CLO and OGC with information regarding such matters, and seek a written acknowledgment that such concurrent representation, in unrelated matters, is not inappropriate and consent to any such present or future concurrent representations.

August 26, 2019
Page 3

OGC may terminate the Firm's representation by delivering a written notice of termination to the Firm. The Firm will also have the right to withdraw from its representation of JEA any time with JEA's consent or for good cause without JEA's consent. If the Firm is discharged or elects to withdraw, the parties will take all steps necessary to free each other of any obligation to perform further, including the execution of any documents necessary to complete the termination of the representation, and will take all steps that are reasonably practicable to protect JEA's interests. If a discharge or withdrawal occurs, the Firm, subject to the applicable not-to-exceed amount, will be entitled to be paid or reimbursed for all authorized costs and expenses paid or incurred on JEA's behalf, and the Firm will be entitled to be paid a reasonable fee for the authorized professional services rendered to the date of termination and for which the Firm previously had not been paid.

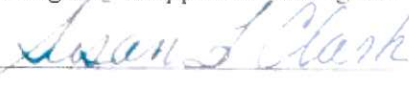
If this letter correctly reflects your understanding of the scope, terms, and conditions of your representation of JEA, please execute the enclosed copy of this letter in the space provided below and return it to my attention. If you have any questions concerning this letter or your representation, please do not hesitate to call me.

Sincerely,


Lynne C. Rhode, Esq.
VP and Chief Legal Officer, JEA
Office of General Counsel, City of Jacksonville

The foregoing is approved and agreed to

By



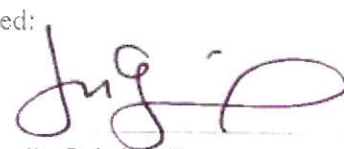
Date:

August 26 2019

Firm

Approved:

By

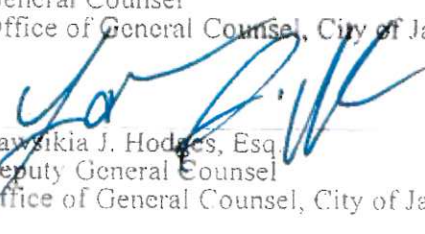


Date:

9/12/19

Jason R. Gabriel, Esq.
General Counsel
Office of General Counsel, City of Jacksonville

By



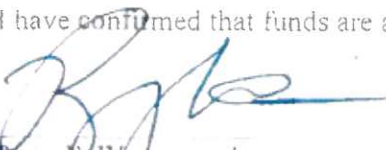
Date:

9-10-19

Lawikia J. Hodges, Esq.
Deputy General Counsel
Office of General Counsel, City of Jacksonville

August 26, 2019
Page 4

I have confirmed that funds are appropriated and can be encumbered to support this retention.



Ryan P. Wannemacher
Chief Financial Officer

Date:

9/3/19

cc Jill Luster, Executive Staff Assistant
Jean Pimental, Office Manager

2019 Standard Rate Schedule

Susan F. Clark (Partner)	\$425
Terry Deason (Special Consultant/Regulatory Expert)	\$425
Tom Crabb (Partner)	\$395
Laura M. Dennis (Associate)	\$310

OFFICE OF GENERAL COUNSEL
CITY OF JACKSONVILLE

JASON R. GABRIEL*
GENERAL COUNSEL



CITY HALL, ST. JAMES BUILDING
117 WEST DUVAL STREET, SUITE 480
JACKSONVILLE, FLORIDA 32202

KAREN M. CHASTAIN
DERREL Q. CHATMON
JEFFERY C. CLOSE
ARIEL P. COOK
JULIA B. DAVIS
STEPHEN M. DURDEN
SHANNON K. ELLER
CRAIG D. FEISER
GILBERT L. FELTEL, JR.
LOREE L. FRENCH
CHRISTOPHER GARRETT
KYLE GAVIN
SEAN B. GRANAT
SUSAN C. GRANDIN
KATY A. HARRIS
MIRIAM R. HILL
LAWSIKIA J. HODGES
SONYA HARRELL HOENER
PAIGE HOBBS JOHNSTON
EMERSON LOTZIA
RITA M. MAIRS

BRETT G. MERENESS
JAMES R. MCCAIN, JR.
WENDY L. MUMMAW
KELLY H. PAPA
KORT PARDE
JACOB J. PAYNE
TIFFANY DOUGLAS PINKSTAFF
JON R. PHILLIPS
CHERRY SHAW POLLOCK
STEPHEN J. POWELL
LYNNE C. RHODE
ASHLEY B. RUTHERFORD
JOHN C. SAWYER, JR.
MARGARET M. SIDMAN
JASON R. TEAL
ADINA TEODORESCU
KEALEY WEST
STANLEY M. WESTON
GABY YOUNG

August 28, 2019

*BOARD CERTIFIED CITY, COUNTY
AND LOCAL GOVERNMENT LAW

G. Alan Howard
Milam Howard Nicandri Gillam & Renner, P.A.
14 East Bay Street
Jacksonville, Florida 32202

Via Email: ahoward@milamhoward.com

Re: Engagement Letter to Provide Legal Services to JEA Relating to Certain
Corporate Transactional and Local Government Matters and Related Matters

Dear Mr. Howard:

This letter ("Engagement Letter") is to confirm the engagement ("Engagement") of Milam Howard Nicandri Gillam & Renner, P.A. (the "Firm") by JEA pursuant to the authorization of the City of Jacksonville, Office of General Counsel ("OGC") for specialized legal counsel related to providing specialized legal services to JEA in connection with certain corporate transactional and local government matters, including those related to any recapitalization of JEA and matters related thereto, and to confirm the consent and approval of JEA's Vice President and Chief Legal Officer, Lynne Rhode ("CLO"). More specifically, the Firm will provide the following scope of services to JEA in close cooperation and consultation with JEA's management and the OGC:

The Firm shall assist JEA in certain corporate transactional, local government, interlocal, and administrative matters, including JEA ITN 127-19 and the preparation for any transition associated with the recapitalization of JEA and matters related thereto. In addition, the Firm will provide such other services as may be requested by the OGC and reasonably related to the matters described above.

The first purpose of this letter is to confirm the Firm's Engagement as counsel and to confirm certain information concerning fees and billing, and other terms that will govern our relationship. You will be the

August 28, 2019

Page 2

Firm's primary contact. As agreed, you and the other attorneys and paraprofessionals who may work on this matter are to bill for this matter at the rates shown on the attached 2019 Standard Rate Schedule. Secretarial time will not be billed. In the event that the Firm may, from time to time, recommend that other attorneys and/or paralegals be enlisted to provide assistance on these matters, you will notify OGC and CLO when that is recommended and obtain prior written approval and agreement upon the hourly rate for each such person. It is anticipated that routine paralegal and attorney support will be provided directly by OGC.

This Engagement is limited to a "not to exceed" amount of Seventy-Five Thousand dollars (\$75,000.00).

The Firm agrees to notify OGC and CLO when Sixty-Five Thousand dollars (\$65,000.00) of the *not to exceed* amount has been expended and recognizes that the *not-to-exceed* amount of \$75,000.00 cannot be modified without written amendments authorized by CLO and OGC. No fees or costs shall be billed to JEA beyond the foregoing amount without a written amendment to this Engagement Letter signed by the Firm and the General Counsel or his designee, and subject to the required and authorized approvals as set forth in the Ordinance Code. All files created during your retention of the matters at hand are the property of JEA. Upon the conclusion of the matters, or upon a written request by the JEA, CLO or OGC for their production, all such files shall be returned to JEA.

The Firm will comply with JEA's travel reimbursement policy. No travel costs exceeding the amounts allowed by such policy will be reimbursed to the Firm. The Firm also agrees to charge the JEA the lowest amounts that it charges to other governmental clients for administrative costs such as photocopying, faxing, delivery, etc., although it is contemplated that billing for such services should be minimal because such services will normally be provided by the OGC.


Detailed monthly billings will be submitted by the 10th of each month to (i) Lynne Rhode, Vice President and Chief Legal Officer, JEA, 21 West Church Street, Jacksonville, FL 32202 and (ii) the Office of General Counsel c/o Lawsikia Hodges, Deputy General Counsel, 117 W. Duval Street, Ste. 480, Jacksonville, FL 32202 with electronic copies to Jill Luster, Executive Staff Assistant at lustjr@jea.com and Jean Pimental, Office Manager at Jeanp@coj.net. The Firm shall also submit reasonably detailed itemized bills to OGC in tenth-of-an-hour billing increments format, and shall break down the tasks performed by each person involved, and will identify by initials or name each person who performs the respective tasks to CLO and OGC. Payment will be remitted by JEA approximately thirty days following receipt of the billings. The parties will endeavor in good faith to resolve promptly any billing issues as may arise from time to time.

JEA is aware that the nature of the Firm's practice is such that the Firm may from time to time concurrently represent one client in a particular case or matter and an adversary of that client in an unrelated case or matter if it is the Firm's professional judgment that the Firm can undertake the concurrent representation impartially and without any adverse effect on the other responsibilities the Firm has to either client. The Firm will provide CLO and OGC with information regarding such matters, and seek a written acknowledgment that such concurrent representation, in unrelated matters, is not inappropriate and consent to any such present or future concurrent representations.

OGC may terminate the Firm's representation by delivering a written notice of termination to the Firm. The Firm will also have the right to withdraw from its representation of JEA any time with JEA's consent or for good cause without JEA's consent. If the Firm is discharged or elects to withdraw, the parties will take all steps necessary to free each other of any obligation to perform further, including the execution of any documents necessary to complete the termination of the representation, and will take all steps that are reasonably practicable to protect JEA's interests. If a discharge or withdrawal occurs, the Firm, subject to the applicable not-to-exceed amount, will be entitled to be paid or reimbursed for all authorized costs and expenses paid or incurred on JEA's behalf, and the Firm will be entitled to be paid a reasonable fee for the authorized professional services rendered to the date of termination and for which the Firm previously had not been paid.

If this letter correctly reflects your understanding of the scope, terms, and conditions of your representation of JEA, please execute the enclosed copy of this letter in the space provided below and return it to my attention. If you have any questions concerning this letter or your representation, please do not hesitate to call me.

Sincerely,


Lynne C. Rhode
VP and Chief Legal Officer, JEA
Office of General Counsel, City of Jacksonville

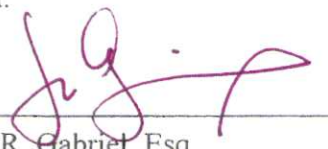
The foregoing is approved and agreed to:

Milam Howard Nicandri Gilham & Renner, P.A.

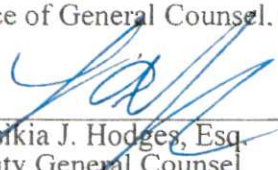
By: 
G. Alan Howard, President

Date: 8.28.19

Approved:

By: 
Jason R. Gabriel, Esq.
General Counsel
Office of General Counsel, City of Jacksonville

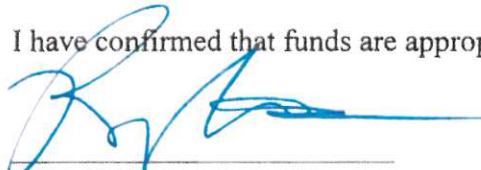
Date: 9-23-19

By: 
Lawisia J. Hodges, Esq.
Deputy General Counsel
Office of General Counsel, City of Jacksonville

Date: 9-23-19

August 28, 2019
Page 4

I have confirmed that funds are appropriated and can be encumbered to support this retention.



Ryan F. Wannemacher
Chief Financial Officer

Date:

9/23/19

cc: Jill Luster, Executive Staff Assistant
Jean Pimental, Office Manager

2019 Standard Rate Schedule

G. Alan Howard	Shareholder	\$500 per hour
Paul M. Renner	Shareholder	\$500 per hour
Justin J. Kempf	Sr. Associate	\$300 per hour

J. A. S. O. R. C. A. B. R. I. L.
GENERAL COUNCIL.



CIT. HILL ST JAMES BUILDING
17 WEST DUVALL STREET SUITE 480
JACKSONVILLE FLORIDA 32202

L	BR	R
	BAYNOLIN	
KAREN	H	
DIERRE	H	T
FLR	A	M
FLU	B	VI
TH	M	DEF
CR	D	FIER
GUBER	F	TLR
	L	I
	PI	ARR
S	R	T
K	R	DI
	H	
IKJ	H	
	I	RR
P	I	BB
	J	H

BOA D THE D ITY TV
D LO I COVER M ST LAW

September 3 019

VIA EMAIL

Mohammad O. Jazil
Hopping Green & Sams, PA
119 S. Monroe Street, Suite 300
Tallahassee, FL 32301
mohammadj@hgslaw.com

RE: Engagement Letter to Provide Legal Services to JEA
Relating to Environmental and Public Policy Matters

Dear Mr. Jazil,

This letter is to confirm the engagement of the law firm of Hopping, Green & Sams, PA (the "Firm") by JEA pursuant to the authorization of the City of Jacksonville, Office of General Counsel ("OGC") (the "Engagement Letter"). The Firm is being retained to provide legal services as outside counsel to JEA. More specifically, the Firm will provide advice and counsel to JEA in close cooperation and consultation with JEA's management and OGC on the following (collectively, "Scope of Services" or "Legal Services"):

1. Advise JEA on environmental, and certain legal matters related to JEA's energy and water operations;
2. Advise JEA on public policy and communications related to the capitalization of JEA's assets;

Office Telephone
904 6 0-1700

Writer's Direct Line
(904) 665-4115

Facsimile
(904) 630-1316

Writer's E-Mail Address
Rhys@ictp.ac.jp

Office Web Site
General: our.scl.coj.com

3. Engage third party consultants, subject to prior approval by the JEA and OGC, who may assist with matters beneficial to supporting the matter described above; and
4. Advise JEA on all other services as may be required or implied in order to complete the scope of services and such other operational legal matters as requested and approved by JEA and OGC.

The first purpose of this letter is to confirm the Firm's engagement as counsel and to confirm certain information concerning fees and billing and other terms that will govern our relationship. You will be the Firm's primary contact in the above-referenced matter. Your only client in this matter shall be JEA and you shall not in any way be deemed to represent the City of Jacksonville or any of its instrumentalities or officials. The hourly rates for the legal services provided by Firm attorneys, paralegals and other support staff in this matter are set forth in your Firm's Addendum Engagement Letter, attached hereto as Exhibit A. Secretarial time will not be billed. In the event that the Firm, may, from time to time, recommend that other attorneys and/or paralegals be enlisted to provide assistance on these matters, you will notify OGC when that is recommended to obtain prior written approval and agreement upon the hourly rate for each such person.

This engagement is limited to a "not-to-exceed" amount of \$250,000.00 and is governed by the City of Jacksonville Ordinance Code and Charter. The Firm agrees to notify OGC when \$200,000.00 of the budget has been expended and recognizes that the not-to-exceed amount cannot be modified without written amendments authorized in accordance with the Ordinance Code and Charter. No fees or costs shall be billed to JEA beyond the foregoing amount without a written amendment to this engagement letter signed by the Firm and the General Counsel or his designee, and subject to the required and authorized approvals as set forth in the Ordinance Code and Charter. All Client Files (as defined in the Addendum Engagement Letter) created during the retention of the matters at hand are the property of JEA. Upon the conclusion of the matters, or upon a written request by JEA for their production, all such Client Files shall be returned to JEA, as contemplated by the Addendum Engagement Letter.

Regarding the matters mentioned above, upon request by JEA or OGC, the Firm shall provide JEA with quarterly projected budgets for work and expenses which the Firm reasonably believes will be necessary to incur in order to properly counsel JEA, subject to OGC review and approval. The Firm will include in these budgets a general description of the tasks expected to be necessary or recommended based on developments in the legal services provided, as well as a general estimate of the range of probable costs and expenses to perform the work. If JEA and OGC determine, based on these budgets, that there are particular items of concern, either as to necessity, strategic advisability, or expense, we will discuss these in good faith with you and will resolve these issues before you will perform the work. If we cannot reach agreement, you may opt to conclude your representation.

The Firm will comply with the Jacksonville Ordinance Code and JEA's travel reimbursement policy. No travel costs exceeding the amounts allowed by such policy will be reimbursed to the Firm. The Firm also agrees to charge JEA the amounts and administrative costs such as photocopying, faxing,

Mohammad O. Jazil

September 3, 2019

Page 3

delivery etc. as set forth in the Addendum Engagement Letter, although it is contemplated that billing for such services should be minimal because such services will normally be provided by JEA.

Detailed monthly billings will be submitted each month to JEA Accounts Payable, c/o Kevin Holbrooks, 21 W. Church Street, Jacksonville, FL, and electronic copies to Lawsikia J. Hodges, Deputy General Counsel, lhodges@coj.net and Lynne Rhode, Vice President and Chief Legal Officer, rhodlc@jea.com. The Firm shall also submit reasonably detailed itemized bills to JEA in tenth-of-an-hour billing increments format and shall break down the tasks performed by each person involved and will identify by initials or name each person who performs the respective tasks to JEA. Payment will be remitted by JEA approximately thirty days following receipt of the billings. The parties will endeavor in good faith to resolve promptly any billing issues as may arise from time to time.

OGC is aware that the nature of the Firm's practice is such that the Firm may from time to time concurrently represent one client in a particular case or matter and an adversary of that client in an unrelated case or matter if it is the Firm's professional judgment that the Firm can undertake the concurrent representation impartially and without any adverse effect on the other responsibilities the Firm has to either client. Additional detail regarding the Firm's practice and conflicts matters are set forth in the Addendum Engagement Letter.

OGC may terminate the Firm's representation by delivering a written notice of termination to the Firm. The Firm will also have the right to withdraw from its representation of JEA at any time with OGC's consent or for good cause, or as permitted by the applicable Rules of Professional Conduct without OGC's consent. If the Firm is discharged or elects to withdraw, the parties will take all steps necessary to free each other of any obligation to perform further, including the execution of any reasonably practicable to protect JEA's interest. If a discharge or withdrawal occurs, the Firm will be entitled to be paid or reimbursed for all authorized costs and expenses paid or incurred on JEA's behalf, and the Firm will be entitled to be paid a reasonable fee for the authorized legal services rendered to the date of termination and for which the Firm previously had not been paid. Notwithstanding anything to the contrary contained herein, it is understood and agreed that in the event of a conflict between the terms of this letter and of the Addendum Engagement Letter, the terms of this letter shall govern.

If this letter correctly reflects your understanding of the scope, terms and conditions of your representation of JEA, please execute the enclosed copy of this letter in the space provided below and return it to my attention. This letter may be executed in counterparts and by electronic signatures. If you have any questions concerning this letter to your representation, please do not hesitate to contact me.

The effective date of this letter shall be retroactive to August 30, 2019.

Sincerely,



Lynne C. Rhode
VP and Chief Legal Officer,
JEA Office of General Counsel,
City of Jacksonville

Mohammad O. Jazil
September 3, 2019
Page 4

The foregoing is approved and agreed to:

Hopping Green & Sams PA

By:
Mohammad O. Jazil, Vice President

Date: 9-3-2019

Approved:

By: 
Jason R. Gabriel
General Counsel
Office of General Counsel, City of Jacksonville

Date:

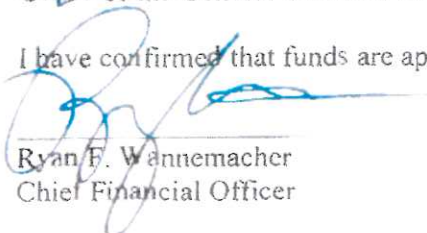
9/13/19

By: 
Lawsikia J. Hodges
Deputy General Counsel
Office of the General Counsel, City of Jacksonville

Date:

9-10-19

I have confirmed that funds are appropriated and can be encumbered to support this retention.


Ryan F. Wannemacher
Chief Financial Officer

Date:

9/5/19

EXHIBIT A

Hopping Green & Sams, PA Addendum Engagement Letter

September 3, 2019

Lynne C. Rhode
JEA VP & Chief Legal Officer
21 West Church Street (T-16)
Jacksonville, FL 32202

Dear Ms. Rhode,

This addendum confirms that JEA has engaged Hopping Green and Sams, P.A. (the "Firm" or "HGS") to advise and represent it in the matters described more fully in JEA's Engagement Letter with the Firm dated September 3, 2019. This addendum further specifies the terms of the engagement as follows:

- A. Fees for Engagement: JFA agrees to compensate the Firm for Item 1 listed in the Scope of Services in the Engagement Letter at an hourly rate of \$400/hr for lawyers who are shareholders of HGS, \$275/hr for lawyers who are *not* shareholders of HGS, and \$100/hr for all support staff such as law clerks and paralegals of HGS.

JEA further agrees to compensate the Firm for Item 2 listed in the Scope of Services in the Engagement Letter through a monthly consulting retainer of \$20,000 payable on the first of each month following the execution of the Engagement Letter until the termination of engagement.

Upon mutual written agreement, JEA further agrees to compensate the Firm for work performed under Items 3 and 4 in the Scope of Services in the Engagement Letter.

- B. Identity of Client: Unless otherwise agreed to in writing, JEA will be the sole client in this engagement and the Firm will not represent any individuals or entities affiliated with JEA, such as any parent companies, directors, officers, founders, managers, general or limited partners, employees, members, or shareholders.
- C. Termination and Withdrawal: Unless otherwise agreed in writing, this engagement will terminate if no service is provided by the Firm for a six-month period, except where JEA and the Firm await an action or decision by a court, tribunal, agency, council, or specific actions necessary to complete the engagement extend beyond the six-month period.

JEA may terminate this engagement at any time, with or without cause, through written notice to the Firm.

The Firm has the right to withdraw from the engagement upon written notice to JEA subject to applicable rules of professional conduct. Before withdrawing, consistent with the rules of professional conduct, the Firm will discuss with JEA any steps necessary to protect JEA's interests in any ongoing matter.

The termination of or withdrawal from this engagement will not affect JEA's responsibility to pay for services rendered and charges incurred on behalf of JEA up until the date of written notice of termination or withdrawal.

- D. Arbitration of Disputes: If JEA disagrees with the amount of the Firm's fees or other charges, or if JEA has any concerns about the Firm's work for JEA, please bring that to the Firm's attention as soon as possible. In the event any dispute between JEA and the Firm arises from the Firm's work in this engagement, and that dispute cannot be resolved informally, then both JEA and the Firm agree to forego the right to trial by jury and agree to resolve any disputes exclusively through private and confidential binding arbitration before the American Arbitration Association. The rules for complex commercial disputes will govern any such arbitration. The arbitration will be conducted before one neutral arbitrator unless otherwise agreed. The arbitrator or arbitrators will have the ability to award any damages or relief that a court of law having jurisdiction over the dispute could award. JEA acknowledges by signing this addendum that it has had the opportunity to consult with other counsel about the consequences of agreeing to binding arbitration.
- E. Expense Reimbursement Policy: JEA consents to the Firm's Expense Reimbursement Policy, to the extent the policy does not conflict with the Jacksonville Ordinance Code and JEA's travel reimbursement policy. The Firm's Expense Reimbursement Policy is attached to this addendum as Exhibit I.

The foregoing is approved and agreed to:

Hopping Green & Sams PA

Date: 9-3-2019

Mohammad O. Jazil, Vice President
Approved: JEA

By: 
Lynne C. Rhode
JEA VP & Chief Legal Officer, Office of General Counsel, City of Jacksonville

Date: 9.3.19

EXHIBIT 1 (To Addendum)

HOPPING GREEN & SAMS P.A. EXPENSE REIMBURSEMENT POLICY

The following is Hopping Green & Sams' standard expense reimbursement policy. This policy applies unless a different arrangement has been negotiated based on the unique circumstances of a particular client or matter as outlined in the Engagement Letter.

All expenses are billed monthly. Billings ordinarily reflect expenses for the most recent month, except where there are delays in receiving bills from third party vendors.

Interest. For all statements outstanding ninety (90) days past the invoice date, simple interest at a rate of one percent (1%) per month (twelve percent per annum) will be assessed on the outstanding fees and expenses.

Telephone. All telephone charges are billed at an amount approximating actual cost.

Photocopying and Printing. In-house photocopying and printing is charged at \$0.25 per page (black & white) and \$.50 per page (color). Outside copying is billed as a pass-through of the outside vendor's charges.

Facsimile. Outgoing facsimile transmissions are charged at \$1.00 per page. There is no charge for incoming faxes.

Postage. Postage is billed at actual cost.

Overnight Delivery. Overnight delivery is billed at actual cost.

Local Messenger Service. Local messenger service is billed at the IRS approved reimbursement rate.

Computerized Legal Research. Charges for computerized legal research are billed at an amount approximating actual cost.

Travel. Travel (including air fare, rental cars, taxicabs, hotel, meals, tips, etc.) is billed at actual cost. Where air travel is required, coach class is used wherever feasible. Out-of-town mileage is billed at the IRS approved reimbursement rate.

Consultants. Unless prior arrangements are made, consultants are ordinarily employed directly by the client. Where consultants are employed by the firm, their charges are passed-through with no mark-up. The client is responsible for notifying the firm of any particular billing arrangements or procedures which the client requires of the consultant.

Other Expenses. Other outside expenses, such as court reporters, agency copies, etc. are billed at actual cost.

Word Processing and Secretarial Overtime. No charge is made for word processing. No charge is made for secretarial overtime except in major litigation matters where unusual overtime demands are imposed.