
From: Rhode, Lynne C. (City of Jacksonville) <rhodlc@jea.com>
Sent: Monday, December 2, 2019 2:35 PM
To: Hodges, Lawsikia
Subject: Non-legal contractors
Attachments: FTI Engagement.pdf; Leidos Engagement Letter (PWSP 8.21).pdf; Diane Tropa Engagement Letter and NDA (SIGNED) 10.3.19.pdf

Hi Lawsikia,
You had asked me to follow up on any existing non-legal contractors associated with any recent legal engagements. These are the only three of which I'm aware. We can discuss further on Friday if you'd like.
Best,
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



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

August 13, 2019

Via Email & U.S. Mail

FTI Consulting, Inc.
Attention: John Cochrane
200 State Street, 9th Floor
Boston, MA 02109
john.cochrane@fticonsulting.com

Re: Potential strategic transaction involving JEA (“**JEA**”)

Dear Mr. Cochrane:

This agreement memorializes the terms and conditions of the agreement between you and Pillsbury Winthrop Shaw Pittman LLP (“**Pillsbury**”) to perform consulting services on behalf of JEA. Your work under this agreement will be performed at the request and direction of Pillsbury, and on behalf of its client, JEA. Pillsbury represents and warrants that JEA has been provided a copy of this agreement, agrees to be bound hereby, and has authorized Pillsbury to enter into this agreement with FTI Consulting, Inc. (“**FTI**”).

Scope of Services

You shall provide the work product and services specified herein. This work product will be used in part to support financial modeling being conducted in connection with a potential strategic transaction (the “**Transaction**”) relating to JEA’s electric utility system and its water/wastewater/ sewage utility system.

1. Financial Model Assumption Development Report. A report containing separate analyses — one for the electric utility system, another for the water/wastewater/ sewage system — providing JEA with a reasonable set of assumptions to employ within its financial modelling in connection with the following:

a) Rate base for investor-owned utility owning each utility system. Your report should use as its starting point JEA's existing accounting treatment, but should identify and adjust rate base calculations to account for any expected difference between JEA's current treatment and treatment for purposes of rate regulation with respect to (i) deferred liabilities, (ii) regulatory assets, and (iii) any other appropriate differences identified by you in the exercise of your professional judgment.

b) Recoverable expenses. Your report should use as its starting point JEA's existing accounting records, but should identify, assess, and adjust any (i) costs in each category that are recoverable for ratemaking, (ii) high-level costs that may be challenged by the Florida Public Service Commission as inappropriate in light of its precedent, and (iii) taxes.

c) Return on equity ("ROE"). Your report should (i) provide analysis of ROEs allowed by the Florida Public Service Commission in pertinent prior rate cases for other utilities and (ii) compare those ROEs with ROEs allowed by the public utility commissions of other jurisdictions in reviewing rate cases submitted by similarly situated utilities.

d) Capital structure. Your report should (i) provide analysis of capital structures allowed by the Florida Public Service Commission in pertinent prior rate cases for other utilities, (ii) compare those capital structures with capital structures allowed by the public utility commissions of other jurisdictions in reviewing rate cases for similarly-situated utilities, and (iii) assess the potential for additional leveraging using a holding company structure with additional debt at the holding company level.

e) Capital Expenditures ("CapEx"). Your report should (i) use as a starting point in its CapEx evaluation assumptions provided by a separate study to be performed by an independent engineer, but (ii) also evaluate the reasonableness of those received assumptions.

f) Total revenue requirements based on each of the above. With respect to the electric utility system in particular, your report must assess total revenue requirements under each of the following scenarios: (i) JEA's power purchase agreement with MEAG Power is assigned to a buyer of all of JEA's assets and (ii) JEA's power purchase agreement with

MEAG Power is excluded from the assets purchased by a buyer of all of JEA's assets.

2. Financial Model Validation Report. A report assessing the reasonableness of the above assumptions in sufficient detail, so that a potential counterparty reviewing the output of the financial model will likely conclude that such financial model provides a credible starting point for assessing the potential value of each of the (a) electric utility system and (b) water/wastewater/sewage utility system.

3. Five-Year Rate Plan. A five-year rate plan comparing, for each of the electric utility and water/wastewater/sewage utility systems, (a) rates calculated using assumptions in the financial model, identifying any measures that could be taken to minimize any increase in rates, with (b) rates projected in the event each utility system is not sold (i.e., a no-action alternative).

You shall employ your professional judgment as to the appropriate level of detail of the contents of your work product; provided that the contents of each work product shall contain a level of detail that is adequate to support financial modeling activities relating to JEA's electric utility system and its water/wastewater/ sewage system in connection with the Transaction and to validate other financial data and documents made available in the Transaction data room to potential counterparties.

You shall, as a general matter, use JEA's existing rate design in executing the scope of services. However, you shall, where appropriate, identify specific elements of JEA's rate design you believe should be modified and present alternative approaches for JEA to consider.

You may make reasonable, well-defined and specific proposals to refine the scope of services identified above (the "**Services**") to expedite work product delivery and reduce costs. You shall communicate with Pillsbury regarding the scope of services you are performing and are to perform in this matter, and make every reasonable effort to perform that work in a cost-effective manner.

Compensation and Billable Time

You shall provide the Curriculum Vitae and hourly rates for all personnel executing the scope of services.

You will be compensated for the time you spend on this matter at the request of JEA at an hourly reimbursement basis at the rate provided on Schedule I.

You will be reimbursed at your actual out-of-pocket rate for all reasonable expenditures incurred in connection with your work on this matter as documented by receipts to be attached to invoices. Travel shall be reimbursed at a coach class fare. Out-of-pocket expenditures in excess of \$1,000, exclusive of air travel, require prior Pillsbury approval.

Your reasonable fees and reasonable expenses in serving as a consultant in this matter will be paid by Pillsbury only upon its receipt of payment from JEA. Invoices for all work in this matter should be submitted to Pillsbury.

Confidentiality

You (1) agree not to disclose the nature of your work or the results of your work to anyone, except Pillsbury or JEA, unless otherwise required by law or to the extent required by court rules governing expert disclosures, or as Pillsbury and JEA may authorize in writing; (2) understand that all of your work, opinions, conclusions, and communications with respect to this engagement are performed at the request of Pillsbury and JEA, are to be considered attorney work product and, as such, should be regarded as protected from disclosure; (3) agree to do all things necessary to preserve the work product nature of your work, opinions, and communications with respect to this engagement; and (4) agree that documents and information of any kind that you acquire in connection with this matter will be maintained in strict confidence and will not be disclosed to any other person or party without prior written consent by JEA and Pillsbury.

You also agree to timely deliver to us any and all notes, documents, and other materials you receive or generate pursuant to this agreement.

You will not disclose to Pillsbury or JEA, or use for their benefit, any confidential information or material in violation of the rights of your former employers or any third parties. You will not improperly use or disclose, or bring onto the premises of Pillsbury or JEA, any confidential or proprietary information or material of any third party for which you have provided or currently provide service.

If any person or entity requests or subpoenas any work product in your control or custody that was produced by you in connection with this engagement, you will, unless legally prohibited, promptly inform Pillsbury of such request or subpoena, so that Pillsbury may seek from a court of competent jurisdiction a protective order or other appropriate remedy to limit the disclosure. If you are required to respond to the request or subpoena or to provide testimony, JEA will compensate you for reasonable costs incurred (e.g., reasonable attorneys' fees and disbursements).

Limitation of Liability

In no event will either party be liable for consequential, special, indirect, punitive, or exemplary losses, damages, or expenses relating to this engagement, including, without limitation, damages for loss of data, loss of business profits, business interruption, or other pecuniary loss, even if such party has been advised of the possibility of such damages. In no event will either party's liability to the other in connection with the services under this engagement exceed the fees received by FTI from or on behalf of Pillsbury in connection with such engagement.

Ownership and Use

You will provide a limited, royalty-free, non-transferrable, non-sublicensable, non-exclusive license in the work product (reports, summaries, verbal feedback, etc.) to Pillsbury to: (i) use such Work Product to integrate into, or create additional, work product that may be required by Pillsbury's contract with JEA and (ii) distribute the Work Product provided by you to JEA and its advisors, subject to the intellectual property rights granted to JEA in this Agreement.

Upon payment in full of your fees, JEA will own all reports and other deliverables prepared for and furnished to Pillsbury or JEA by you in connection with the scope of services (the "**Work Product**").

JEA will have the exclusive right to use the Work Product for any purpose it chooses.

Any advice given or Work Product issued by FTI is provided solely for Pillsbury's and JEA's use and benefit and only in connection with the purpose in respect of which the Services are provided. Unless required by law, neither Pillsbury nor JEA shall provide any advice given or Work Product issued by FTI to any third party, without FTI's prior written consent, which shall not be unreasonably withheld or delayed but shall be conditioned on the execution of a third-party release letter in the form provided by FTI. In no event, regardless of whether consent has been provided, shall FTI assume any responsibility to any third party to which any advice or Work Product is disclosed or otherwise made available.

Warranty

You warrant that (a) the Services will be performed in a professional and workmanlike manner consistent with industry standards; (b) all work under this engagement will be your original work, and neither the Services nor any Work Product, nor any development, use, production, distribution or exploitation thereof, will infringe, misappropriate, or violate any intellectual property or other rights of any

person or entity (including, without limitation, you); (c) you have the full right to provide Pillsbury with the assignments and rights provided for herein and otherwise to fully perform your obligations under this engagement; (d) each person who may be involved in any way with, or have any access to, any Services or confidential information of Pillsbury and/or JEA shall be bound by written obligations of confidentiality and non-disclosure that is at least as protective of Pillsbury's and JEA's rights as provided herein; (e) you will comply with all applicable laws and regulations in the course of performing the Services; and (f) you have obtained, and will maintain in full force and effect, any licenses that may be required to perform the Services.

No Conflicts

You represent and warrant that your performance of the Services and all other obligations under this engagement does not and will not breach any written or oral agreement you have entered into, or will enter into, with any other party. You will not induce the Pillsbury or JEA to use any work product or confidential information or material belonging to any other client, employer, or other party.

FTI is a global firm and, through its practice groups and affiliated entities, provides a variety of services to third parties on a non-exclusive basis, including, by way of example and not limitation, Forensic and Litigation Consulting, Technology Services, Corporate Finance/Restructuring, Economic Consulting and Strategic Communications. Other professionals of FTI may be engaged by parties with interests that are adverse to and may not be consistent with the interests of Pillsbury and JEA. FTI has conflicts procedures that are designed to identify, manage, and monitor potential conflicts of interest. As such, FTI has in place policies and procedures that are designed (i) to prevent disclosure of confidential client information outside FTI, and (ii) to prevent confidential client information from being used for the benefit of other FTI clients. These policies prohibit disclosure of confidential client information outside of FTI. These policies also require that confidential client information be disseminated internally only on a need-to-know basis. In addition, FTI can confirm that it has a system designed to identify, analyze, and avoid or mitigate conflicts of interest that may arise as a result of FTI's relationships with clients around the world who may have conflicts of interests in respect of a particular transaction, including the imposition of information barriers between different FTI consulting teams and, where appropriate, between consulting teams in the same industry. In particular, FTI confirms that FTI officers, directors, and employees who have received confidential information of Pillsbury and/or JEA and who are part of the Advisory Team (as defined below) providing the Services shall not provide services to any party that is submitting a proposal to JEA on strategic alternatives for JEA (a "**Strategic Partner**") and shall not share confidential

information of Pillsbury and/or JEA with any Strategic Partner or any FTI consulting team providing services to any Strategic Partner, save with Pillsbury's and/or JEA's consent or where Pillsbury and/or JEA has permitted the disclosure of such information to Strategic Partners generally. None of the FTI professionals that are part of any separate team providing services in connection with the Transaction to a Strategic Partner as described above will be members of the team of FTI professionals providing the Services to the Client (the "**Advisory Team**").

Independent Contractor; No Employee Benefits

You agree that you are an independent contractor (not an employee or other agent) solely responsible for the manner and hours in which Services are performed, is solely responsible for all taxes, withholdings, and other statutory, regulatory, or contractual obligations of any sort, and is not entitled to participate in any employee benefit plans, group insurance arrangements, or similar programs of Pillsbury or JEA. You will ensure that any of your employees, contractors, and other service providers involved in the Services are bound to the foregoing, and to all of your obligations under any provision of this engagement, for Pillsbury's benefit, and you will be responsible for any noncompliance by them. FTI shall indemnify and hold harmless Pillsbury and its partners, officers, and employees to the extent any liability, loss, damage, cost, or expense by reason of real or tangible personal property damage or personal injury (including death) are finally determined to be caused by the grossly negligent act or omission of FTI or of its authorized agents.

Termination

Either party may terminate this engagement at any time, but JEA shall remain liable for all fees and expenses accrued prior to such termination; provided that you have delivered to Pillsbury a reasonably complete work product, reflective of the time and resources expended by you prior to such termination. Pillsbury may terminate this engagement immediately and without prior notice if you refuse or are unable to perform the Services or is in breach of any material provision of this engagement. You agree that, following termination of this engagement, (a) you will deliver to Pillsbury (and will not retain, copy, or deliver to anyone else) any and all records, data, notes, reports, proposals, lists, correspondence, specifications, drawings, sketches, notebooks, materials, flow charts, equipment, or other documents or property developed by you pursuant to this engagement or otherwise belonging to Pillsbury or JEA, and (b) will sign and deliver a certificate that certifies to your full compliance with the provisions of this section in such form as may be acceptable to Pillsbury. "Confidentiality" through "Severability" hereof and any remedies for breach of this engagement will survive any termination or expiration. Pillsbury may communicate such obligations to any other (or potential) client or employer of you.

Governing Law and WAIVER OF JURY TRIAL

The engagement shall be governed by and interpreted in accordance with the laws of the State of Florida, without giving effect to the choice of law provisions thereof. PILLSBURY, JEA, AND FTI IRREVOCABLY AND UNCONDITIONALLY AGREE TO WAIVE A JURY TRIAL IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT.

Amendment, Waiver and Entire Agreement

Any of the terms and conditions hereunder may be amended or waived only with the written consent of you and Pillsbury. The failure of either party to enforce its rights under this engagement at any time for any period will not be construed as a waiver of such rights. This engagement sets forth the entire agreement and understanding between the parties relating to its subject matter and supersedes all prior discussions and agreements (whether oral or written) between the parties with respect thereto.

Successors and Assigns

You may not assign, transfer or subcontract any obligations under this engagement without the written consent of Pillsbury. Any attempt to do so will be void. Pillsbury may assign its rights and obligations under this engagement in whole or part. This Agreement will be binding upon your heirs, executors, administrators, and other legal representatives, and your successors and permitted assigns, and will be binding on and for the benefit of Pillsbury and its successors and assigns.

Remedies

You acknowledge and agree that violation of this engagement will cause Pillsbury and JEA irreparable harm and that Pillsbury will therefore be entitled to seek extraordinary relief in court, including, but not limited to, temporary restraining orders, preliminary injunctions, and permanent injunctions without the necessity of posting a bond or other security (or, if such bond or security is required, you agree that a \$1,000 bond will be adequate), in addition to any other rights or remedies that Pillsbury may have for a breach of this engagement. If any party brings any suit, action, counterclaim, or arbitration to enforce or interpret the provisions of this engagement, the prevailing party will be entitled to recover a reasonable allowance for attorneys' fees and litigation expenses in addition to court costs.

Notices

All notices under this engagement must be in writing and will be deemed given when delivered personally or by confirmed facsimile or email, one (1) day after being sent by nationally recognized courier service, or three (3) days after being sent by prepaid certified mail, to the address of the party to be noticed as set forth herein or such other address as such party last provided to the other party by written notice.

Severability

If any portion of this agreement is held to be unenforceable under applicable law, you and Pillsbury agree that such provision shall be excluded from this agreement, the balance of this agreement shall be interpreted as if such provision were so excluded, and the balance of this agreement shall be enforceable in accordance with its terms.

If the terms set forth in this letter are acceptable, please sign and date this letter in the space provided for you and return it to me. This agreement shall be effective upon my receipt of your signed letter. I will return a fully executed copy of this letter to you.

FTI Consulting
August 13, 2019
Page 10

Thank you for agreeing to assist us in this matter. We look forward to working with you.

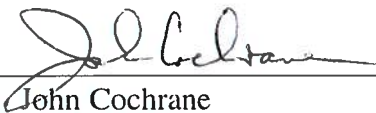
Sincerely,

PILLSBURY WINTHROP SHAW PITTMAN LLP

By: _____
Stephen B. Amdur

Agreed to and accepted by:

FTI CONSULTING, INC.

By:  _____
John Cochrane

Date: August 13, 2019

Schedule I¹

John Cochrane: \$945/hour

Ellen Smith: \$945/hour

Matthew DeCoursey: \$690/hour

Ken Sosnick: \$690/hour

Maheen Bajwa: \$590/hour

Drew Cayton: \$590/hour

Analytical Support: \$340/hour

Subject Matter Experts: \$945/hour

¹ For the initial Scope of Services detailed in this agreement, FTI will bill at the rates stated in this Schedule less a 40% discount.

August 21, 2019

Via Email

Leidos Engineering, LLC
Attention: Ronald J. Moe
9400 N. Broadway
Suite 300
Oklahoma City, OK 73114

Re: Potential strategic transaction involving JEA (the “Transaction”)

Dear Mr. Moe:

This professional services agreement (this “PSA”) confirms that Pillsbury Winthrop Shaw Pittman LLP (“Client” or “we”) has engaged Leidos Engineering, LLC (the “Independent Engineer”) to provide Services, as defined below, in order to assist Client in providing legal services to Client’s direct client, JEA (“JEA”) in connection with the Transaction.

1. The Independent Engineer Services and Fees

We are engaging the Independent Engineer to provide an independent engineering review of JEA’s Facilities, as detailed in Exhibit A attached hereto and by this reference made a part hereof (the “Services”).

In consideration of the Independent Engineer’s performance of the Services, the Independent Engineer shall be entitled to a fee, based on rates provided in Exhibit B attached hereto and by this reference made a part hereof. The estimated fees, based on the Services and subject to the pricing assumptions provided in Exhibit A attached hereto, are \$690,000. Additional services authorized by JEA will be invoiced based on the rates provided in Exhibit B attached hereto and by this reference made a part hereof. The Independent Engineer will submit a progress report and invoice at the end of each monthly period. All invoices will be due within sixty (60) days of receipt. The parties agree that payment for the Services provided hereunder is ultimately the responsibility of our direct client, JEA.

2. Confidentiality

The Independent Engineer will protect all Confidential Information of the other parties from any unauthorized use, disclosure, dissemination, or distribution. We have advised the Independent Engineer that Client and JEA also plan to do the same.

Without limitation of the foregoing, the Independent Engineer may make the Confidential Information available only to those employees, agents, and other representatives who have a need to know the same for the purpose of carrying out rights and obligations under this PSA, who have been informed that the Confidential Information is subject to the terms of this PSA, and who have agreed or are otherwise obligated to comply with the terms of this PSA.

The Independent Engineer agrees to take appropriate, reasonable measures to maintain the confidentiality of non-public, confidential, and/or proprietary information received from the other parties hereto that is designated by the other parties as confidential, or that a reasonable person would consider, from the nature of the information and circumstances of disclosure, to be confidential (“Confidential Information”). For the avoidance of doubt, any and all reports prepared by the Independent Engineer hereunder (including the contents thereof) shall be Confidential Information of JEA and the Independent Engineer shall not disclose, disseminate, transfer, sublicense, sell, or redistribute such reports (or any of contents thereof) to any third party, whether in whole or in part, without the express written consent of JEA.

The Independent Engineer will not disclose to Client or JEA, or use for their benefit, any confidential information or material in violation of the rights of the Independent Engineer’s former employers or any third parties. The Independent Engineer will not improperly use or disclose, or bring onto the premises of Client or JEA in hard or soft copy, any confidential or proprietary information or material of any third party for which the Independent Engineer has provided or currently provides service. Confidential Information does not include any information that: (a) is or becomes generally available to the public other than as a result of the Independent Engineer’s or any of its Representative’s breach of this PSA; (b) is obtained by the Independent Engineer on a non-confidential basis from a third-party that was not bound by an obligation of confidentiality to the Client or JEA with respect to such information; (c) was in the Independent Engineer’s possession prior to disclosure by the Client or JEA hereunder; (d) was or is independently developed by the Independent Engineer without using or referencing any Confidential Information; or (e) is disclosed without restriction with the written approval of the Client or JEA.

If any person or entity (other than Client or JEA) requests or subpoenas any work product in the Independent Engineer’s control or custody that was produced by the Independent Engineer in connection with this PSA, the Independent Engineer will, unless legally prohibited, promptly inform Client of such request or subpoena, so that Client may seek from a court of competent jurisdiction a protective order or other appropriate remedy to limit the disclosure. Other than in connection with any indemnity provided by Independent Engineer pursuant to Section 10, if the Independent Engineer is required to respond to such request or subpoena or to provide testimony, JEA will reimburse the Independent Engineer for reasonable out-of-pocket costs incurred (*e.g.*, reasonable attorneys’ fees and disbursements).

Unless otherwise expressly provided in this Agreement, the Independent Engineer’s, Client’s, JEA’s and their Representatives’ confidentiality obligations under this Agreement shall expire upon the date that is three (3) years following the date hereof.

3. Ownership of Inventions

The Independent Engineer and its licensors shall own all right, title, and interest in and to the Inventions and Work Product, including all intellectual property rights therein. The Independent Engineer hereby irrevocably grants to JEA a nonexclusive, fully paid-up, royalty-free, perpetual, worldwide license to the Inventions and Work Product, with full right to transfer and sublicense, and to copy, modify, make derivative works of, use, sell, import, and otherwise distribute under all applicable intellectual property rights without restriction of any kind, other than as set forth in

Section 6. All decisions with respect to the time, manner, form, and extent of publication or other use of any Work Product will rest, subject to Section 6 herein, exclusively with JEA.

4. Attorney Client Privilege

The Independent Engineer understands that the Independent Engineer's work under this PSA is intended to be covered by the attorney-client privilege, work product doctrine, and other applicable protections. The work product generated during this PSA, including, but not limited to, any reports, correspondence, and notes, shall be maintained as privileged, confidential, and made solely for the purpose of assisting Client in giving legal advice to JEA in this matter. The parties hereto acknowledge and agree that the privileged nature of the work may be limited by the Florida Public Records Act.

5. Limitation of Liability

NEITHER PARTY IS LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES OF ANY KIND, INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS, LOSS OF REVENUE, LOSS OR DAMAGE TO GOODWILL, LOSS OF USE, BUSINESS INTERRUPTION, LOSS OF DATA, REGARDLESS OF THE BASIS OR LEGAL THEORY OF LIABILITY, WHETHER IN CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE, EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

EXCEPT FOR CLAIMS FOR (I) PERSONAL INJURY DUE TO NEGLIGENCE, (II) WRONGFUL DEATH, (III) WILLFUL MISCONDUCT, (IV) FRAUD, AND (V) THE INDEPENDENT ENGINEER'S INDEMNIFICATION OBLIGATIONS UNDER SECTION 10 HEREOF, EACH PARTY'S TOTAL LIABILITY UNDER THIS AGREEMENT FOR DAMAGES, REGARDLESS OF THE BASIS OR LEGAL THEORY OF LIABILITY, WHETHER IN CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE, WILL NOT, IN ANY EVENT, EXCEED, IN THE AGGREGATE, THE GREATER OF (I) TWO (2) TIMES THE FEES ACTUALLY PAID BY OR ON BEHALF OF CLIENT TO THE INDEPENDENT ENGINEER UNDER THIS AGREEMENT (LESS ANY REFUNDS OR CREDITS) IN THE TWELVE (12) MONTH PERIOD IMMEDIATELY PRECEDING THE EVENT THAT GAVE RISE TO THE CLAIM OR (II) USD\$500,000; PROVIDED THAT THE INDEPENDENT ENGINEER'S TOTAL LIABILITY UNDER THIS AGREEMENT FOR ITS BREACH OF ITS CONFIDENTIALITY OBLIGATIONS UNDER SECTION 2 (CONFIDENTIALITY) HEREOF WILL NOT, IN ANY EVENT, EXCEED, IN THE AGGREGATE, AN AMOUNT EQUAL TO THE GREATER OF (I) TEN TIMES (10x) THE FEES ACTUALLY PAID BY OR ON BEHALF OF CLIENT TO THE INDEPENDENT ENGINEER UNDER THIS AGREEMENT (LESS ANY REFUNDS OR CREDITS) IN THE TWELVE (12) MONTH PERIOD IMMEDIATELY PRECEDING THE EVENT THAT GAVE RISE TO THE CLAIM OR (II) \$5,000,000.

6. Use of Information

Client shall be permitted to use the Work Product solely for purposes of advising JEA. Client and JEA shall maintain the Work Product as confidential, and shall not disclose, disseminate, transfer, sublicense, sell or redistribute it to any third party, whether in whole or in part, without

the execution of a Use Agreement, which is provided in Exhibit C attached hereto and by this reference made a part hereof; provided, however, that the Work Product may be disclosed (i) by Client to JEA or JEA's advisors, (ii) incorporated in Client's work product that is given to JEA by Client, and (iii) if required by law or in response to a lawful order or demand of any court of competent jurisdiction. Third parties who execute a Use Agreement may rely on the Work Product in the form provided by Independent Engineer.

If JEA and/or Client furnishes the Work Product to a third party who has not executed a Use Agreement, then (i) JEA or Client, as the case may be, do so at its sole risk and discretion and (ii) the Independent Engineer shall not be liable for any claims or damages resulting from such release to a third party who has not executed a Use Agreement.

7. Warranty

The Independent Engineer warrants that (a) the Services will be performed in a professional and workmanlike manner consistent with industry standards; (b) the Independent Engineer has the full right to provide Client with the assignments and rights provided for herein and otherwise to fully perform the Independent Engineer's obligations under this PSA; (c) the Independent Engineer will have each person who may be involved in any way with, or have any access to, any Services or Confidential Information enter into (prior to any such involvement or access) a binding agreement for Client's benefit that is at least as protective of Client's and JEA's rights as provided herein; (d) the Independent Engineer will comply with all applicable laws and regulations in the course of performing the Services; and (e) the Independent Engineer has obtained, and will maintain in full force and effect, any licenses that may be required to perform the Services. THE INDEPENDENT ENGINEER MAKES NO OTHER REPRESENTATION, WARRANTY OR GUARANTEE, EXPRESSED OR IMPLIED, WITH RESPECT TO THE SERVICES AND EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, INCLUDING THE IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE AND MERCHANTABILITY. For purposes of this PSA, "Inventions" mean the Independent Engineer's independent discoveries, developments, concepts, designs, ideas, know how, improvements, inventions, trade secrets, reports, and/or original works of authorship, whether or not patentable, copyrightable, or otherwise legally protectable, it being expressly understood and agreed that Inventions shall not include the discoveries, developments, concepts, designs, ideas, know how, improvements, inventions, trade secrets, reports, and/or original works of authorship that existed prior to the date hereof to which Independent Engineer obtained access for purposes of delivering the Services (including, without limitation, as relates to the Facilities, as defined in Exhibit A hereto), all of which (as between Independent Engineer and JEA) shall remain the sole and exclusive property of JEA (the "Retained IP"). Inventions include, but are not limited to, any new product, machine, article of manufacture, biological material, method, procedure, process, technique, use, equipment, device, apparatus, system, compound, formulation, composition of matter, design, or configuration of any kind, or any improvement thereon but shall exclude the Retained IP. For purposes of this PSA, "Work Product" means any Inventions that the Independent Engineer, solely or jointly with others, authors, discovers, develops, conceives, or reduces to practice, in whole or in part, in connection with, or as a result of, the Services performed for Client.

8. No Conflicts

The Independent Engineer represents and warrants that the Independent Engineer's performance of the Services and all other obligations under this PSA does not and will not breach any written or oral agreement the Independent Engineer has entered into, or will enter into, with any other party. The Independent Engineer will not induce the Client or JEA to use any Inventions or confidential information or material belonging to any other client, employer, or other party. The Independent Engineer agrees not to enter into any written or oral agreement that conflicts with this PSA or otherwise creates a conflict of interest with the Independent Engineer's Services. For the avoidance of doubt, the Independent Engineer may provide to any third-party services that are unrelated to a proposal that such third party is submitting to JEA in connection with the Transaction.

The Independent Engineer agrees that, during the term of this PSA, the Independent Engineer will not (a) engage in any activity (whether or not during business hours) that is in any way competitive, or prepare to compete, with the business or demonstrably anticipated business of JEA, (b) assist any other person or entity in competing, or in preparing to compete, with any business or demonstrably anticipated business of JEA, and (c) act as an employee, the Independent Engineer, director, or advisor to any other business, or take any action that would constitute a conflict of interest, without the prior written consent of Client.

9. Independent Contractor; No Employee Benefits

The Independent Engineer agrees that the Independent Engineer is an independent contractor (not an employee or other agent) solely responsible for the manner and hours in which Services are performed, is solely responsible for all taxes, withholdings, and other statutory, regulatory, or contractual obligations of any sort, and is not entitled to participate in any employee benefit plans, group insurance arrangements, or similar programs of Client or JEA. The Independent Engineer will ensure that any employees, contractors, and other service providers of the Independent Engineer involved in the Services are bound to the foregoing, and to all of the Independent Engineer's obligations under any provision of this PSA, for Client's benefit, and the Independent Engineer will be responsible for any noncompliance by them.

10. Indemnification

(A) The Independent Engineer will indemnify, defend, and hold harmless Client, JEA, and their respective affiliates, employees, advisors, representatives, consultants, contractors, and agents (the "Client Indemnified Parties") from and against any and all damages, liabilities, losses, costs, and expenses (including, but not limited to, reasonable attorneys' fees) (collectively, "Losses") finally awarded or agreed upon in settlement resulting from any third-party claim, suit, action, investigation, penalty, notice, or proceeding (each, an "Action") brought against any Client Indemnified Party based on (a) the infringement by the Independent Engineer of any third-party United States intellectual property rights; (b) the breach by the Independent Engineer or any of its affiliates, or any of their respective employees, advisors, representatives, consultants, contractors, or agents of Sections 2 and 7(c) and (d), except, in any case, to the extent such Action is based on Client's willful misconduct or gross negligence; (c) the gross negligence, willful misconduct, or bad faith of the Independent Engineer or any of its affiliates, or any of their respective employees, representatives, consultants, contractors, or agents; (d) personal

injury to the extent due to Independent Engineer's negligence; (e) wrongful death to the extent due to Independent Engineer; and (f) fraud. The parties hereby acknowledge and agree that all Losses under this Section 10 shall be deemed direct damages.

(B) Client shall (i) promptly notify the Independent Engineer in writing of any Action; (ii) permit Independent Engineer sole control of the defense and settlement of any action, and (iii) provide all reasonable assistance in connection with the defense of the action at Independent Engineer's request and expense. If all or part of Independent Engineer's Work Product is finally adjudged to infringe, or in the opinion of Independent Engineer is likely to become the subject of a claim for infringement, Independent Engineer may, at its sole option (1) secure Client's right to continue using Independent Engineer's Work Product; (2) replace or modify the Work Product to make it non-infringing; or (3) upon return of the infringing Independent Engineer's Work Product, refund to Client the fees paid by Client for the infringing Work Product. Client agrees that the foregoing option selected by Independent Engineer as the remedy for infringement under this Section shall, together with the indemnification provided by Consultant, be the sole remedy of Client under the license to use the Work Product. Consultant shall have no liability for any Action of infringement of third party intellectual rights if the Work Product has been modified, altered or changed or combined with any other products or services. THE FOREGOING STATES THE ENTIRE LIABILITY OF INDEPENDENT ENGINEER TO CLIENT WITH RESPECT TO INFRINGEMENT BY INDEPENDENT ENGINEER OF ANY THIRD PARTY INTELLECTUAL PROPERTY RIGHTS.

11. Termination

Either party may terminate this PSA at any time, but JEA shall remain liable for all fees and expenses accrued prior to such termination; provided that the Independent Engineer has delivered to Client a reasonably complete work product, reflective of the time and resources expended by the Independent Engineer prior to such termination. Client may terminate this PSA immediately and without prior notice if the Independent Engineer refuses or is unable to perform the Services or is in breach of any material provision of this PSA. The Independent Engineer agrees that, following termination of this PSA, (a) following Client's or JEA's request, the Independent Engineer will deliver to Client (and will not retain, copy, or deliver to anyone else) any and all records, data, notes, reports, proposals, lists, correspondence, specifications, drawings, sketches, notebooks, materials, flow charts, equipment, or other documents or property developed by the Independent Engineer pursuant to this PSA or otherwise belonging to Client or JEA; and (b) will sign and deliver a certificate that certifies to the Independent Engineer's full compliance with the provisions of this Section 11 in such form as may be reasonably acceptable to Client; provided, however, that the Independent Engineer may retain a copy of Confidential Information solely as may be required by applicable laws, the Independent Engineer's bona fide security and/or disaster recovery procedures, and/or for archival purposes; provided, further, that in all cases such retained copies shall remain subject to the obligations of confidentiality under this Agreement. Sections 2 through 17 hereof and any remedies for breach of this PSA will survive any termination or expiration. Client may communicate such obligations to any other (or potential) client or employer of the Independent Engineer.

12. Governing Law and Dispute Resolution

The PSA shall be governed by and interpreted in accordance with the laws of the State of Florida, without giving effect to the choice of law provisions thereof.

13. Amendment, Waiver and Entire Agreement

Any of the terms and conditions hereunder may be amended or waived only with the written consent of the Independent Engineer and Client. The failure of either party to enforce its rights under this PSA at any time for any period will not be construed as a waiver of such rights. This PSA sets forth the entire agreement and understanding between the parties relating to its subject matter and supersedes all prior discussions and agreements (whether oral or written) between the parties with respect thereto.

14. Successors and Assigns

The Independent Engineer may not assign, transfer or subcontract any obligations under this PSA without the written consent of Client. Any attempt to do so will be void. Client may assign its rights and obligations under this PSA in whole or part. This Agreement will be binding upon the Independent Engineer's heirs, executors, administrators, and other legal representatives, and the Independent Engineer's successors and permitted assigns, and will be binding on and for the benefit of Client and its successors and assigns.

15. Remedies

The Independent Engineer acknowledges and agrees that violation of this PSA will cause Client and JEA irreparable harm and that Client will therefore be entitled to seek extraordinary relief in court, including, but not limited to, temporary restraining orders, preliminary injunctions, and permanent injunctions without the necessity of posting a bond or other security (or, if such bond or security is required, the Independent Engineer agrees that a \$1,000 bond will be adequate), in addition to any other rights or remedies that Client may have for a breach of this PSA. If any party brings any suit, action, counterclaim, or arbitration to enforce or interpret the provisions of this PSA, the prevailing party will be entitled to recover a reasonable allowance for attorneys' fees and litigation expenses in addition to court costs.

16. Notices

All notices under this PSA must be in writing and will be deemed given when delivered personally or by confirmed facsimile or email, one (1) day after being sent by nationally recognized courier service, or three (3) days after being sent by prepaid certified mail, to the address of the party to be noticed as set forth herein or such other address as such party last provided to the other party by written notice.

If to the Independent Engineer:

Leidos Engineering, LLC
Attn: Ronald Moe
1417 Fourth Avenue, Suite 300

Seattle, WA 98101

With a copy to (which shall not constitute legal notice):

Leidos Engineering, LLC
Attn: Legal Department
11951 Freedom Drive
Reston, VA 20190

If to Client:

Pillsbury Winthrop Shaw Pittman LLP
Attn: Stephen A. Amdur
31 West 52nd Street
New York, NY 10019

If to JEA:

JEA
Attn: Herschel T. Vinyard
21 West Church Street
Jacksonville, Florida 32202-3139

17. Severability

If any portion of this agreement is held to be unenforceable under applicable law, the Independent Engineer and Client agree that such provision shall be excluded from this agreement, the balance of this agreement shall be interpreted as if such provision were so excluded, and the balance of this agreement shall be enforceable in accordance with its terms.

We are pleased for you to have the opportunity to have you provide the services. This PSA agreement shall be effective as of the date on which the Independent Engineer first provides services to Client. If this letter is satisfactory, kindly execute and return a counter-signed copy.

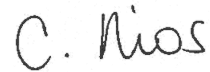
Best regards,

PILLSBURY WINTHROP SHAW PITTMAN LLP

By:
Title:

ACKNOWLEDGED AND AGREED:

LEIDOS ENGINEERING, LLC



By: Carolina Rios
Title: Team Lead, Contracts

Solely for purposes of payment obligations contained herein and for provisions relating to confidentiality, indemnity, and limitation of liability:

JEA

By:
Title:

Exhibit A: Scope of Services

The role of Leidos Engineering, LLC (the “Independent Engineer” or the “IE”) is to provide an independent engineering review of JEA’s Electric, Water and Wastewater, and District Energy System facilities (the “Facilities”), as further described herein. The focus of the review will be on the engineering design and the operating history of the Facilities, as well as the technical provisions in the principal contracts and permits of the Facilities.

The IE will identify issues uncovered during its review and will propose an approach to address those that are within its area of expertise. In general, the IE reviews work prepared by others and does not prepare original engineering design products. The review by the IE will be limited to engineering issues and the possible impact on commercial issues, but will not address legal or regulatory issues, except as detailed below. These services do not include assessment, evaluation, review, testing, or discussion of security issues for the Facilities, including, but not limited to, protection from terrorist acts that may impact the Facilities, systems, or human life or those of other entities with which JEA has business or operational relations.

The results of the IE review will be provided in a single, integrated report covering all of the Facilities. The review will be conducted in four phases that will be performed concurrently: one for each of the three businesses of JEA listed above, plus a fourth for Project Management and Report Preparation. The specific tasks to be performed within each phase, and the activities to be performed within each task, are described below.

Phase A: JEA Electric System

JEA’s Electric System is the eighth largest government-owned electric utility in the United States. The IE will conduct a comprehensive review of the technical aspects of the distribution, transmission, and generation assets that comprise the Electric System.

Task A-1: Kick-Off Call and Obtain Project Documentation

The IE will participate in a conference call with the Client, JEA, and JEA’s other advisors during which the data and documentation required from the participants to conduct the services will be defined. Protocols for communication between the IE and other project participants will be established. It is assumed, but not a requirement, that all material documentation for review is available on a Web-based site (or other digital medium) to be made available to the IE simultaneously with commencement of work under this PSA.

Task A-2: Distribution Facilities Condition Assessment

JEA owns and operates a distribution system comprising nearly 7,000 miles of lines and associated substations. The IE will assess the condition of these facilities, focusing on likely future capital expenditures, operating expenses, and reliability.

The IE will visit representative samples of substations and distribution lines; meet with managers of JEA’s distribution business; and obtain detailed operations, maintenance, and planning reports and records from JEA. The IE will review these documents as follows:

- The IE will review the operations-related reports in order to assess O&M practices, projected impacts on O&M and capital budgets, and projected impacts on reliability and

to assess various risks, such as obsolescence risk, equipment failure risks, susceptibility to weather-related disasters (e.g., hurricanes), etc.

- The IE will review planning-related documents in order to assess the sufficiency of the Capital Improvement Plan to meet load growth and the risks of increased capital improvements if load grows faster or differently (e.g., geographical and/or demographic differences) than expected, if mandatory reliability criteria are implemented in a fashion that causes increased capital improvements, or if generation is interconnected in locations that cause capital improvements; and to develop estimates of future capital expenditures required to 1) maintain the existing level of service to existing customers and 2) serve new customers/load or create O&M savings/efficiencies; or that can be deferred for a period of time without compromising current service level performance.

At the completion of these activities, the IE will prepare the section of the final report dedicated to the condition assessment of the distribution facilities. This chapter will include an overall assessment of the condition of the distribution facilities and a discussion of potential risks related to obsolescence, equipment failure, etc., as well as estimates of future operations and maintenance costs and capital expenditures.

Task A-3: Transmission Facilities Condition Assessment

JEA owns and operates a transmission system comprising approximately 750 miles of lines and associated substations. The IE will assess the condition of these facilities, focusing on likely future capital expenditures, operating expenses, and reliability. The list of specific activities to be performed is the same as listed above under Task A-2 for the distribution system.

Task A-4: Generating Facilities Condition Assessment

JEA owns and operates the following generation facilities (all capacity ratings are summer), which are all located within JEA's service territory:

- Kennedy – 300 MW, natural gas/diesel combustion turbines
- Northside – 1,322 MW, pet coke/coal/natural gas/heavy oil steam and diesel combustion turbines
- Brandy Branch – 651 MW, natural gas/diesel combustion turbine and combined cycle
- GEC – 300 MW, natural gas/diesel combustion turbines

JEA also owns an approximately 200 MW share of Scherer Unit 4, a coal-fired steam plant located in Forsyth, Georgia, and operated by Georgia Power Company.

The IE will visit all of the generation facilities (including Scherer) to assess the condition of the equipment and obtain detailed reports and records concerning the historical and planned/projected operations, maintenance, and performance of each Facility. The IE will review the historical non-fuel operations and maintenance costs, including major maintenance, as well as the historical availability, forced outage rate, output, and heat rate of each Facility. To the extent the available information allows, the IE will determine the likely levels of future availability, operating and maintenance expenses, and capital expenditures for each Facility.

At the completion of the review, the IE will prepare the chapter of the report devoted to the condition assessment of the generation facilities.

Task A-5: Review Operations and Maintenance Programs and Procedures

The IE will review the operation, maintenance, health, and safety procedures to identify and determine the adequacy of the procedures to provide for operation and maintenance of the distribution, transmission, and generation Facilities in a cost-effective manner.

Task A-6: Review Environmental Regulatory Requirements

The IE will review the status of permits and environmental regulatory compliance of the distribution, transmission, and distribution Facilities. As part of the site visits to the Facilities, the IE will:

- Interview key operating personnel and review with them ongoing operations with respect to environmental regulations and compliance with existing permits and approvals.
- Review emission/effluent monitoring programs and recordkeeping.
- Obtain copies of selected environmental compliance information.
- Review ongoing operations with respect to compliance with operating permit conditions and limitations.

The IE will examine current permits to ascertain whether they are current and that limitations imposed will not adversely impact operations. The IE will review compliance with current permits by examining internal records and monitoring reports submitted to various agencies. The potential impact of any Notices of Violation, Consent Orders, or Compliance Plans on future operations and costs will be evaluated.

The IE will review compliance with major non-permit environmental regulatory programs, such as requirements for spill response plans, hazardous materials handling and reporting, hazardous and solid waste disposal, and PCB management.

Task A-7: Review of Environmental Site Assessments (“ESA”)

The IE will review the ESA reports prepared by others to determine the adequacy of such reports in light of standard industry practices and, as appropriate, will comment on potentially significant concerns affecting the Client’s interests such as:

- Encountering hazardous waste, special waste, or contaminated groundwater onsite during site excavation and construction;
- Potential significant increases in the O&M cost resulting from environmental issues;
- Potential exposure to liability resulting from contamination by offsite sources.

Phase B: JEA Water and Wastewater Systems

JEA’s Water and Wastewater Systems serve approximately 350,000 and 270,000 customers, respectively. The IE will conduct a comprehensive review of the technical aspects of the assets that comprise the Water and Wastewater Systems.

Task B-1: Project Kick-off

To assure efficiency and focus, the IE will conduct a project kick-off meeting with the Client, JEA, and other participants to assure that the appropriate project goals and success factors are clearly established. The IE’s task leaders and others with major roles in the project will

participate in this meeting. To expedite project mobilization, the kick-off meeting will be conducted via conference call and will be scheduled within one week of receipt of a Notice to Proceed. The project schedule, deliverables, and primary points of contact for the IE and Client will be confirmed. To accommodate the IE's review by expediting the flow of information, Client may also wish to consider providing direct contact information for each of the major Project participants, and as applicable, for the primary permitting contacts in the Florida Department of Environmental Protection ("FDEP") and other regulatory agencies with jurisdictional authority. The IE anticipates that such agencies would include FDEP, which regulates the sewer plants and the St. Johns River Water Management District, which regulates water suppliers.

The IE will provide a data request to Client prior to the kick-off meeting. Further, to facilitate the development of a report best serving Client's needs, the IE recommends that Client consider identifying any specific investor concerns at the kick-off meeting, so they are clearly identified early in the IE evaluation process.

Task B-2: Data Collection and Project Initiation

A preliminary list of information that may be requested from JEA includes the following:

- General site location maps for each utility system and its service areas;
- Atlas maps for the distribution systems, wastewater collection systems, and recycle water systems for each utility;
- An asset register depicting all major equipment for each utility and any reports providing description of the physical assets of the utilities;
- A description of the asset management processes used and of the physical property records, particularly as to the data integrity of the installation dates and costs, materials of construction, and of ongoing condition assessment methodologies;
- Copies of the asset management plans and/or procedures used to develop JEA's capex spending plans;
- Summary of all permits;
- Consumer Confidence Reports for each water treatment Facility for the past three years;
- Copies of sanitary surveys conducted during the last three years;
- Copies of any current consent orders from any regulatory agency;
- A two-year history of Monthly Operating Reports ("MOR") for each water production Facility;
- A two-year history of FLPDES Discharge Monitoring Reports ("DMRs") for each wastewater treatment Facility;
- Copies of any Notice of Violation from FDEP or any regulatory agency;
- Copies of any FDEP Inspection reports for wastewater treatment facilities;
- Copies of the proposed Capital Improvement Plan ("CIP") spending plans for the Water System and the Wastewater System and past CIP plans from 2017 through 2019;

- A list of completed Water System and the Wastewater System CIP projects and actual final project costs for the period from 2017 to 2019;
- Copies of all inspection reports or capital improvement or expansion studies conducted within the last three years;
- Copies of all Capacity Analysis Reports performed on the wastewater treatment and collection assets and updates;
- Summary of Year 2018 maintenance logs by utility, Facility, and for selected major components;
- Summary of non-revenue water quantities as a percentage of annual production for the past three years for each distribution system;
- A description of and an example of the calculation used by JEA to estimate non-revenue water;
- Summaries of any wastewater collection infiltration assessment studies conducted during the past five years;
- Copies of maps and description of water distribution system, wastewater collection, and recycled water pump stations;
- Copies of maps and description of drinking water source wells, well water treatment practices, and copies of permits for all wells or wellfields;
- Water distribution system break frequency as compiled and mapped by JEA;
- An explanation of the pipe failure rate criteria used for evaluating the need for pipeline replacement;
- A summary by service area of the wastewater and recycled water pipeline repair frequency and piping size, age, and material;
- Storage tank inspection reports and painting records for the past five years;
- Summary of Years 2016 through 2018 customer complaints by utility and Facility;
- A water supply plan for each selected water production utility;
- Annual reports for the water system and the wastewater system for the last three years;
- Operation and maintenance budgets for the past three years and projections of such budgets for the next year for each utility;
- A copy of JEA's recycled water CIP and past CIPs from 2017 through 2019;
- A list of completed recycled water CIP projects implemented and actual costs from 2017 to 2019;
- A copy of JEA's current and next proposed recycled water operating and capital budget(s);
- An organization chart for JEA;
- Staffing levels by department and Facility for each utility.

Task B-3: Staff Interviews and Site Visits

After receipt of the information described in Task B-2, the IE will interview key JEA staff to discuss current conditions, asset performance, known issues, and planned capital improvements at the Facilities.

The IE will review existing system maps, operating and financial data, management information, and engineering reports provided by Client and JEA staff and interview JEA operations staff about Facility conditions. Based on the results of this document review, the IE will determine which onsite reviews of a representative sampling of facilities is needed to satisfactorily complete the operations and capex reviews. The IE will confer with Client, JEA, and other participants to plan to make site visit(s) to a representative sampling of the Facilities in each of the Water System and the Wastewater System to review the apparent condition of the fixed assets.

The IE's evaluation will include site visits by one or more teams to a selected representative sample of the each of the Water System and Wastewater System Facilities. Site visits for review will involve physical observations of visible, readily accessible system components for the facilities visited. Assistance will be required from JEA's staff for key staff interviews, to coordinate site visits, arrange for access, cooperatively provide information about each Facility visited, provide information about the condition and issues in each utility's facilities, and arrange for a knowledgeable guide for the IE personnel. The IE will not attempt to observe facilities that are covered, buried, or otherwise not readily visible and/or safely accessible for observation.

Task B-4: Facility Condition Assessments

After a review of materials collected in Task B-2 and site visits performed in Task B-3, the IE will identify any observed deficiencies as well as those deficiencies observed by others in prior studies prepared on behalf of JEA. The IE will review with JEA's representatives the proposed corrective measures and associated projected costs required to meet current regulatory requirements. For purposes of the report, the definition of a deficiency shall be as follows:

- Observed or documented Facility violations of current state regulatory rules and regulations based on site visits and data collected;
- Observed physical obsolescence and Facilities having less than five years of useful life remaining (*e.g.*, steel storage tanks with extensive and/or non-repairable rust);
- Water system components causing chronic low pressure (less than 20 psi) complaints (based on JEA's database);
- Water distribution systems having excessive unaccounted for water based on available documentation from JEA;
- Wastewater systems exhibiting excessive rates of infiltration based on available documentation from JEA;
- Water distribution, wastewater collection, and recycle water systems having excessive number of breaks per mile;
- A history of chronic and repeated overflows of sewer collection system in the same proximate location.

Task B-5: O&M and Capital Improvement Program Review

Consistent with general practices for independent engineering evaluations, the technical assessment of the Facilities will consist of a fatal flaw analysis of whether (1) the Facilities have the capability to produce sufficient and acceptable drinking water from available raw water sources; (2) the distribution assets are adequate to distribute drinking water to the customers consistent with industry practices; (3) the Facilities have the capability to comply with federal and state permits and approvals; and (4) the Facilities can reasonably be expected to have a useful life no less than JEA's projections assuming timely maintenance and equipment replacement and that the Facilities are operated and maintained in accordance with good industry practice. Consequently, the robustness of the Facilities and the O&M procedures utilized to operate and maintain them are important evaluation considerations.

The evaluation will include the following major facilities:

- Water treatment facilities and wellfields;
- Wastewater treatment and collection facilities and pumps stations;
- Chemical storage and metering systems;
- Sludge treatment and solids handling systems;
- Power supply and back-up power supply systems;
- Finished water storage, pumping, and distribution systems;
- Recycle water storage, pumping, and distribution systems; and
- Headquarters and service center facilities.

The evaluation of the operations and maintenance practices will assess if utility, management, operations, maintenance, capital planning, equipment replacement, and chemical handling are performed in accordance with generally accepted industry practices for utilizes of similar types.

Task B-6: Review of Current Status of Existing Permits

The operations of the Facilities are subject to regulatory requirements as defined by various regulations and operating permits. The IE will review information regarding the current status of permits issued at the Water Management District, state, and federal level and identify whether Facility DMRs, MORs, and Consumer Confidence Reports indicate that there are material compliance issues. The IE will also review sanitary surveys and other regulatory agency inspection reports, outstanding consent orders, and other compliance violation documentation supplied by JEA.

The IE will contact selected state permitting and compliance staff to obtain additional information on the compliance status of the utilities with their primary permits.

Task B-7: Review of Water Supply Plans

The IE will review the available JEA Water Supply Plans to determine whether each Water Supply Plan presents a reasonable approach for maintaining the capability to provide an adequate supply for future water needs over the Water Supply Plan's planning horizon.

Task B-8: Evaluation and Report Preparation

At the conclusion of Tasks B-1 through B-7, the IE will prepare the chapters of the report devoted to the Water and Wastewater Systems. Assuming sufficient information is provided by JEA or Client, the report will address:

- Whether JEA has obtained sufficient water rights for the raw water supply needed to support the Facilities drinking water production;
- The Facilities' capability with respect to produce drinking water using the raw water available for the plants, treating the raw water to drinking water standards and producing and distributing potable water;
- The Facilities' capability with respect to collecting and treating wastewater and meeting the Clean Water Act's standards;
- The Facilities' capability with respect to distributing recycle water to meet customer demands and meeting the Clean Water Act's requirement;
- The status of the permits for the Facilities, the capability of the Facilities to comply with their permit conditions, and the reasonable likelihood that the Facilities have the capacity to maintain compliance with their operating permits;
- Whether the useful life of the Facilities will meet reasonable expectations; and,
- If the capital expenditure program and operation and maintenance procedures and expenditure levels are consistent with industry practices for comparable systems.

Phase C: JEA District Energy System

JEA's District Energy System (DES) consists of four chilled water plants with total capacity of 20,700 tons and associated piping and delivery systems. The IE will perform a comprehensive review of the technical aspects of these facilities.

Task C-1: Kick-Off Call and Obtain Project Documentation

The IE will participate in a conference call with the Client, JEA, and JEA's other advisors during which the data and documentation required from the participants to conduct the services will be defined. Protocols for communication between the IE and other project participants will be established. It is assumed, but not a requirement, that all material documentation for review is available on a Web-based site (or other digital medium) to be made available to the IE simultaneously with commencement of work under this Agreement.

Task C-2: Site Visit

During the site visit, the IE will walk down all of the major components of each Facility and make visual observations to assess current equipment condition. The visual condition assessment and answers to questions posed will inform the desktop review and be used in the IE's report as well as in evaluating the proposed expenses for operating costs, major maintenance, and capital expenditures as discussed below.

Task C-3: DES Agreements Review

JEA reports it has agreements with 17 locations in Jacksonville to provide chilled water for air conditioning. The IE will review and comment on the technical aspects of the agreements governing the supply of chilled water. This review will be conducted to determine whether the agreements adequately define the quantities to be delivered, the terms of delivery and payment, and any performance metrics.

Task C-4: Operations and Maintenance Review

The IE will review each Facility's operational history and projected performance to determine:

- The capability of designs to perform in required operating modes;
- The capability of designs to meet operating requirements;
- Historical operational performance of each Facility;
- Major system components contributing to any material underperformance.

Based on the desktop review as informed by the site visit, responses to questions posed, and other information, the IE will review and comment on various expense line items in the O&M plan which are assumed to include, but may not be limited to:

- Operating expenses;
- Major maintenance expenses;
- Capital expenditures.

At the conclusion of these activities, the IE will prepare the chapters of the report devoted to the condition assessment of the DES facilities.

Phase D: Project Management and Report Preparation

Task D-1: Project Management

Given the fairly tight schedule, breadth of scope, number of participants (Client, JEA, JEA's other advisors, Leidos and its subcontractor Louis Berger), and other factors, effective project management will be critical to the success of the assignment. In this task, the IE's Project Manager will schedule and lead regularly scheduled weekly (or semi-weekly, if deemed necessary) telephone conference calls with counterparts at JEA and the other participants. The IE team will also hold internal project calls several times per week to make sure that activities remain on schedule and are performed efficiently.

Task D-2: Prepare Independent Engineer's Report

A first draft report identifying issues raised during the review will be prepared and submitted to the Client, JEA, and JEA's other advisors for comment. The report will cover all of the areas investigated in Phases A, B, and C above. Having addressed issues raised in the draft reports, to the extent possible, the IE will incorporate comments and present the status of each issue in a final report.

Due to the uncertainty of the number of drafts of the Independent Engineer's Reports which must be prepared, the cost of services in preparing additional draft reports will be provided under Additional Services and is not included in the estimated fee for independent engineering services.

Schedule

The IE will deliver the first draft of the comprehensive IE Report within seven weeks of receipt of notice to proceed. The IE will deliver the final report within four business days of receipt of comments on the draft report. This schedule is contingent on the timely provision by JEA and JEA's other advisors to the IE of the data the IE requires to conduct the review. Delays in the provision of such data may result in corresponding delays in delivery of the first draft of the report

Exhibit B: Fees for Service

Billing Class	Hourly Rate (US\$)	Typical Project Roles
4	58.00	Clerical, Administration, Junior Engineers and Technicians
5	72.00	
6	86.00	
7	101.00	
8	115.00	
9	130.00	
10	144.00	Staff Engineers, IEs and Technicians
11	158.00	
12	173.00	
13	187.00	
14	202.00	Senior Engineers, IEs and Technicians, and Project Managers
15	216.00	
16	230.00	
17	234.00	
18	259.00	Executive Engineers and IEs, Senior Project Managers, and Principals
19	274.00	
20	288.00	
21	302.00	
22	317.00	
23	331.00	
24	346.00	Executive Engineers and IEs, Senior Project Managers, and Senior Principals
25	360.00	
26	374.00	
27	389.00	
28	403.00	
29	418.00	
30	432.00	
31	446.00	
32	461.00	
33	475.00	
34	490.00	
35	504.00	
36	518.00	

*Salaries of personnel are subject to change in accordance with IE's annual salary adjustment program.

Activity	Estimated Fee (Labor Only)
Independent Engineering Review of JEA Facilities	\$690,000

Pricing Assumptions

The estimated fees are based on the following. Additional Services authorized by Client will be invoiced based on the rates provided above.

- The pricing presented in this section was developed on a labor-only basis and includes one draft report and one final report per Task D-2. Additional drafts will be provided on a cost-of-service basis as an Additional Service.
- Expenses are not included in the estimate and shall be invoiced and reasonable, out of pocket expenses will reimbursed at cost or then-current rates.
- The pricing is contingent on achieving the Schedule described above. Delays not caused by Independent Engineer in the provision of data required by the IE to complete its report may cause increases in the estimated fees.

Exhibit C: Form of Agreement

Use of Work Products in connection with Project Scampi

This serves to document the acknowledgement and agreement (the “Use Agreement”) between [Third Party] (the “Recipient”) and **Leidos Engineering, LLC** (“Leidos” or “Independent Engineer”), with respect to the use of documents prepared by Leidos when providing Independent Engineering Services related to the _____ Plant located in _____, _____ (the “Project”).

Effective _____, _____ (the “Client”) and Leidos executed a Professional Services Agreement (“PSA”) for Leidos to provide an Independent Engineer’s Report (the “Report”) for the purpose of supporting the _____ of the Project.

As _____, the Recipient intends to rely on the Report prepared under the PSA and/or other analyses, data or information prepared by Leidos (collectively “Work Products”). In consideration of Leidos providing Work Products to the Recipient, the Recipient agrees as follows:

1. The services provided by Leidos pursuant to the PSA, and any Work Products, are intended to be used as described in such Work Product and solely in connection with the Recipient’s _____ of the Project (the “Intended Purpose”). The Recipient shall have the right to use and rely on the Work Products for the Intended Purpose under the terms of this Use Agreement. The Recipient agrees that it will not use the Work Products in furtherance of any purpose other than the Intended Purpose.
2. The Recipient agrees not to make any changes to the Work Products without the prior written approval of Leidos.
3. Leidos acknowledges that the Recipient may provide copies of the Work Products for informational purposes to its attorneys and independent engineers, potential financial parties, investors, underwriters, purchasers, advisors, representatives, insurance regulators or other parties in connection with the Intended Purpose or as required by law, regulation, legal, administrative or regulatory process (the “Recipient Parties”) without Leidos’ prior consent and without changing the limitation of liability as defined below. However, the Recipient acknowledges and agrees that the Recipient Parties may only have the right to rely on the Work Products provided Leidos and the Recipient Parties enter into a use agreement substantially in the form of this Use Agreement or as otherwise agreed in writing.
4. No employee of Leidos shall have individual liability to the Recipient. To the extent permitted by law, the total aggregate liability of Leidos for any and all claims arising out of the PSA, this Use Agreement, and all other use agreements related to the Project and any party’s use of or reliance upon the Work Products, including any claims based upon negligence, errors, omissions, strict liability, breach of contract, contribution, or indemnity, shall not exceed one hundred fifty thousand dollars (U.S. \$150,000.00).
5. In no event and under no circumstances shall Leidos be liable to Recipient for any principal, interest, loss of anticipated revenues, earnings, profits, increased expense of operations, loss by reason of shutdown or non-operation due to late completion or otherwise or for any other economic, consequential, indirect or special damages.

6. Any dispute or action which arises under this Use Agreement or which relates in any way to this Use Agreement, the subject matter of this Use Agreement, or the Recipient's use of or reliance upon the Work Products shall be subject to binding arbitration in English under the Construction Industry Arbitration Rules as promulgated by the American Arbitration Association and arbitrability shall be subject to the Federal Arbitration Act. EACH PARTY UNDERSTANDS THAT, BY AGREEING TO ARBITRATE ANY DISPUTES BETWEEN THEM, THEY ARE GIVING UP RIGHTS, INCLUDING RIGHTS TO A TRIAL BY JURY, TO THE BROADER DISCOVERY PERMITTED IN COURT PROCEEDINGS, AND TO APPEAL.
7. In any action to enforce or interpret this Use Agreement, the prevailing party shall be entitled to recover, as part of its judgment, reasonable attorneys' fees and costs from the other party.
8. This Use Agreement shall be governed by, and construed in accordance with, the laws of the State of New York. The parties also agree that New York law will apply to any claim and/or litigation arising out of, or in any way related to, the use of or reliance upon the Work Products.
9. Any successor or assignee of Recipient receiving the Work Products must acknowledge and agree to the terms and conditions of this Use Agreement in order to gain any of Recipient's rights hereunder.

ACKNOWLEDGED & AGREED

[THIRD PARTY]

Signature _____
Name _____
Title _____
Date _____

LEIDOS ENGINEERING, LLC

Signature _____
Name _____
Title _____
Date _____

*Copyright © Leidos Engineering, LLC
All Rights Reserved*

October 3, 2019

VIA EMAIL ONLY

Diane M. Tropia, FPR
Diane M. Tropia, Inc.
Florida Professional Reporter/
CART Provider
P.O. Box 2375
Jacksonville, FL 32203
dianemt@mindspring.com

Re: Court Reporting Services

Dear Diane:

I am writing to confirm that you have been retained on behalf of JEA for the purpose of assisting Foley & Lardner LLP ("F&L") in providing stenographic services related to the ITN issued by JEA (the "Matter"). We are counsel to JEA in the matter. This engagement letter documents the relationship between you, JEA and F&L with respect to the matter and ensures that all possible protections afforded by the attorney-client privilege, work product doctrine, and/or any other potential privilege are maintained.

Scope of Engagement

You are being retained to provide stenographic services in connection with the Matter. Your work will be confidential except as required by Florida's public record laws.

This is not an exclusive agreement. JEA and F&L are free to retain other stenographers of their choosing. You are free to accept other professional engagements while this engagement is pending, so long as they are not adverse to JEA or its affiliates.

Confidentiality

In accordance with and subject to the Nondisclosure Agreement (Attachment "A"), the services that you perform for us in this matter are highly confidential. By signing this letter, you agree that all documents, information, communications that you receive concerning the Matter, and all work product that you generate (collectively, "Materials"), will be used only for purposes of your

AUSTIN
BOSTON
CHICAGO
DALLAS
DENVER

DETROIT
HOUSTON
JACKSONVILLE
LOS ANGELES
MADISON

MEXICO CITY
MIAMI
MILWAUKEE
NEW YORK
ORLANDO

SACRAMENTO
SAN DIEGO
SAN FRANCISCO
SILICON VALLEY
TALLAHASSEE

TAMPA
WASHINGTON, D.C.
BRUSSELS
TOKYO

October 3, 2019

Page 2

work for JEA, and not for any other purpose. All Materials shall be treated as privileged and confidential and protected from disclosure by the attorney-client privilege, work product doctrine and any other applicable privilege or protection. You agree to maintain appropriate measures to ensure the confidentiality and privileged nature of all information provided to you, or generated in connection with this retention. You further agree that you will not disclose, share, or reveal the Materials or information contained in those materials to any other person without the prior written consent of F&L. Exception to this policy exists for complying with Florida public records law. You agree to notify us immediately of any public record request.

Absence of Conflicts

You have confirmed to us that you have no conflict in being engaged in this matter. You will inform F&L promptly of any conflicts which come to your attention during the course of this engagement.

Fees and Other Charges

You will be compensated for services rendered under this engagement at the agreed-upon rate of \$ 30 per hour as well as costs associated and producing transcripts.

Please send your invoices to F&L on a monthly basis by the tenth (10th) day of the month following the month in which the services were performed. F&L will forward payment for the services and expenses after F&L has received payment from JEA. JEA alone is responsible for payment of the invoices submitted through F&L. Nothing in this letter should be construed to create an employment relationship between you and either F&L or JEA.

Withdrawal or Termination

Your services are terminable at will, at any time. The relationship will be considered terminated upon completion of any services that you have been retained to perform. The termination of this relationship will not affect JEA's responsibility for payment of fees or services rendered and of other charges incurred before termination. The termination also will not affect your continuing obligation not to divulge any of the Materials to any third parties except at the written direction of F&L.

If the foregoing correctly reflects your understanding of the terms and conditions of this agreement, please so indicate by executing this letter in the space provided below and return it to the undersigned.



FOLEY & LARDNER LLP

October 3, 2019

Page 3

We are very pleased to have this opportunity to work with you.

Sincerely,

FOLEY & LARDNER LLP

A handwritten signature in black ink, appearing to read 'K. Hyde', written over a horizontal line.

Kevin E. Hyde

AGREED AND ACCEPTED:

DIANE TROPIA

By: Handwritten signature of Diane Tropia in black ink, written over a horizontal line.

Date: 10/4/19

PRIVACY, CONFIDENTIALITY, AND NON-DISCLOSURE AGREEMENT

This Privacy, Confidentiality, and Non-Disclosure Agreement is entered into effective October 3, 2019 by and between Foley & Lardner LLP ("Foley & Lardner" or "Foley"), a Wisconsin limited liability partnership and Diane M. Tropa ("Consultant"), a Florida Professional Reporter/CART Provider located in Jacksonville, Florida, (collectively, the "Parties").

BACKGROUND

A. Foley & Lardner has been engaged to represent JEA (the "Company") in connection with services related to the ITN issued by JEA.

B. Consultant has been retained by Foley to assist Foley in the provision of its above-mentioned legal services for the Company, including providing stenographic services related to the ITN issued by JEA.

D. Foley is subject to various laws and regulations that require it to maintain the confidentiality and privacy of client information and personal information, and Foley desires Consultant to acknowledge and agree to maintain the confidentiality and privacy of such information that Consultant may come into contact with.

E. The Parties enter into this agreement with the express desire to protect the confidentiality of the Company's information and preserve the attorney-client privilege to the maximum extent possible.

TERMS

1. **Definition of Confidential Information.** Representatives (as that term is defined below) of each party may come into contact with or have access to information which is confidential and proprietary, including but not limited to customer information, customer records, personally identifiable information, information from Respondents to the ITN, intellectual property, trade secrets, formulas, processes, methods, know how, financial data, and other information related to Company or the ITN (the "**Confidential Information**").

2. **Subpoenas and Other Legal Requests.** In the event that the party receiving the Confidential Information (the "**Receiving Party**") is requested pursuant to, or required by, subpoenas, interrogatories, requests for production or other similar legal process or requests for public records under Florida's public records laws to disclose any Confidential Information of the disclosing party (the "**Disclosing Party**"), the Receiving Party will provide the Disclosing Party with prompt written notice of the request or requirement to enable the Disclosing Party: (1) to seek an appropriate protective order or remedy; (2) to consult with respect to steps to resist or narrow the scope of such request or legal process; or (3) to waive compliance, in whole or in part, with the terms of this Agreement. In the event that such protective order or other remedy is not obtained or a waiver is made by the Disclosing Party, the Receiving Party may furnish that portion (and only that portion) of the Confidential Information which, in the reasonable opinion

of its counsel, it is legally compelled to disclose and shall use best efforts to protect the attorney-client privilege and ensure that all Confidential Information or other information that is so disclosed will be accorded confidential treatment by the person to whom such information is disclosed.

3. **Prohibited Disclosures.** Each party hereby agrees that, except with the specific prior written consent of the other party or as expressly permitted by this Agreement, neither it nor its officers, directors or employees (all of the foregoing are collectively referred to as "Representatives") shall at any time directly or indirectly: (a) use any Confidential Information of the other party for any purposes other than the contemplated services referred to above; or (b) disseminate or disclose any of such Confidential Information to any persons other than those employed by it who are actively participating in the Matter as defined by the Consultant's engagement letter. The term "person" includes without limitation any individual, entity or organization.

4. **Protective Measures.** Without limiting or affecting the restrictions and obligations of Section 3, above, each party agrees that it will undertake best efforts to ensure that the confidentiality of the other party's Confidential Information will be maintained, including advising its Representatives of the confidential and proprietary nature of the Confidential Information and, where necessary, appropriate or requested by the Disclosing Party, requiring its Representatives to agree in writing to be bound by confidentiality agreements similar in substance to this Agreement.

5. **Data Privacy.** If applicable, the parties shall maintain the privacy and security of all personal information, (including without limitation all "protected health information," as that term is used under the Health Insurance Portability & Accountability Act, "nonpublic personal information" as that term is used under the Gramm-Leach-Bliley Act, and all other personally identifiable information and personal information protected under any federal or state law, statute, regulation or ordinance relating to the privacy and security of such personal information ("Personal Information") in accordance with the requirements of this Agreement and applicable law, including but not limited to the privacy and security provisions of the Health Insurance Portability and Accountability Act of 1996, as amended ("HIPAA"), the European Union Data Protection Directive (Directive 95/46/EEC), and other similar laws.

Consultant will implement commercially reasonable administrative, physical, and technical safeguards to protect the confidentiality of Confidential Information. Consultant will notify Foley immediately if it becomes aware of any unauthorized access, acquisition, possession, use, or disclosure of Confidential Information (a "breach"); will cooperate with Foley or affected Foley client(s) in the investigation of the breach at Consultant's expense, and will provide such additional information about the breach as Foley or the affected Foley client(s) request; and Consultant will take any necessary steps to mitigate the harmful effect of such breach at Consultant's expense.

6. **No Licenses.** Neither this Agreement, the disclosure of Confidential Information by the Disclosing Party to the Receiving Party, nor the publication of any Confidential Information shall be construed to grant the Receiving Party either any implied or express license or any rights to obtain any implied or express license to the Confidential Information, any patents or other intellectual property rights arising from or disclosed in the Confidential Information, or any other information or technology.

7. **Return or Destruction of Confidential Information.** Each party agrees that, promptly upon the written request of the other party, it will return to the other or destroy all documents, notes, other writings or electronic media containing Confidential Information of the other party then in its possession, whether prepared by it or others, including all copies thereof. A Receiving Party's obligations under this Agreement shall not terminate until all of a Disclosing Party's Confidential Information is destroyed by the Receiving Party or has been returned to the Disclosing Party by the Receiving Party.

8. **Injunctive Relief.** The parties acknowledge and agree that each would be irreparably damaged and cannot be made whole by monetary damages in the event of any breach by the other of any provision of this Agreement. Accordingly, in the event of any such breach, the non-breaching party shall be entitled, without the requirement of posting a bond or other security, to injunctive relief, specific performance or any other appropriate equitable remedy, in addition to any other remedies to which the non-breaching party may be entitled at law. In the event of any litigation arising out of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and expenses from the losing party, whether incurred before or at trial, on appeal or in insolvency proceedings.

9. **General.**

a) This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Wisconsin (excluding conflict of laws).

b) If any provision of this Agreement shall be invalid, illegal or unenforceable, no other provision shall be affected thereby. If any provision is found to be too broad to be effective, such provision shall be limited and enforced to the extent possible.

c) This Agreement may not be modified or waived except in a writing expressly setting forth the modification or waiver and signed by the party against whom enforcement is sought. No failure or delay by a party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise preclude any other or further exercise of such right or remedy or the exercise of any other right or remedy.

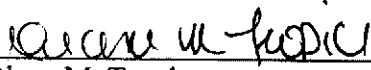
d) This Agreement may be executed in separate counterparts and may be delivered by facsimile, email or portable document format (PDF) transmission, none of which need to contain the signatures of both parties, and each of which, when so executed, shall be deemed to be an original, and such counterparts shall together constitute one and the same instrument.


WHEREFORE, the parties hereto agree to the terms and conditions as set forth herein.

AGREED TO by the following:

DIANE M. TROPIA, INC.

FOLEY & LARDNER LLP

By: 
Name: Diane M. Tropa
Its: PRESIDENT
Date: 10/4/19

By: 
Name: Kevin E. Hyde
Its: Partner
Date: 10/3/19