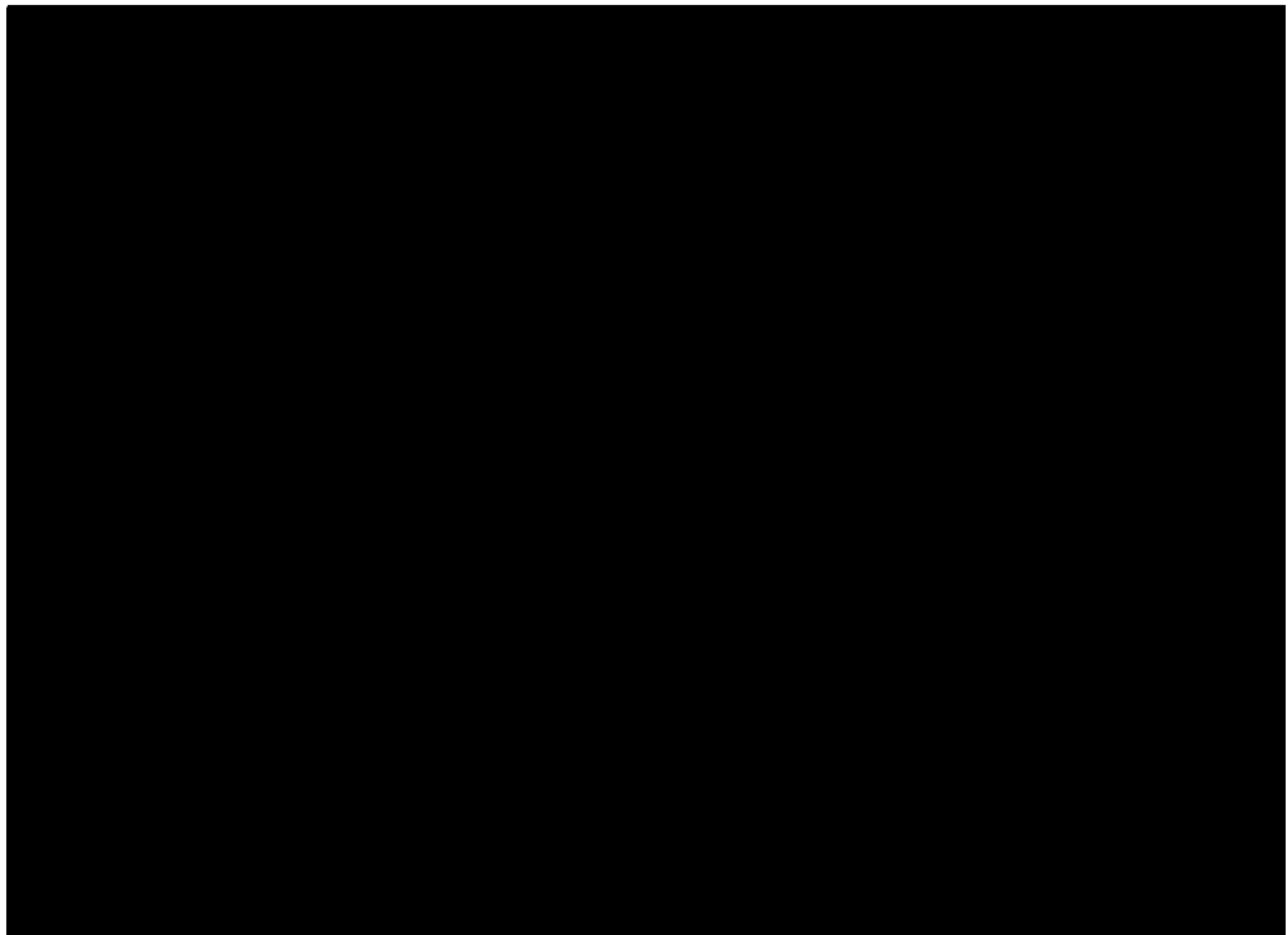


**AGREEMENT BETWEEN**  
**CITY AND COUNTY OF SAN FRANCISCO**  
**and**  
**Jefferies LLC**  
**For Investment Banking Services**

This Agreement, dated as of May 17, 2019, is made by and between the City and County of San Francisco, a municipal corporation ("City"), acting by and through its Office of the City Attorney ("City Attorney"), and Jefferies LLC, a Delaware limited liability company ("Jefferies").

This Agreement is made with reference to the following facts and circumstances:

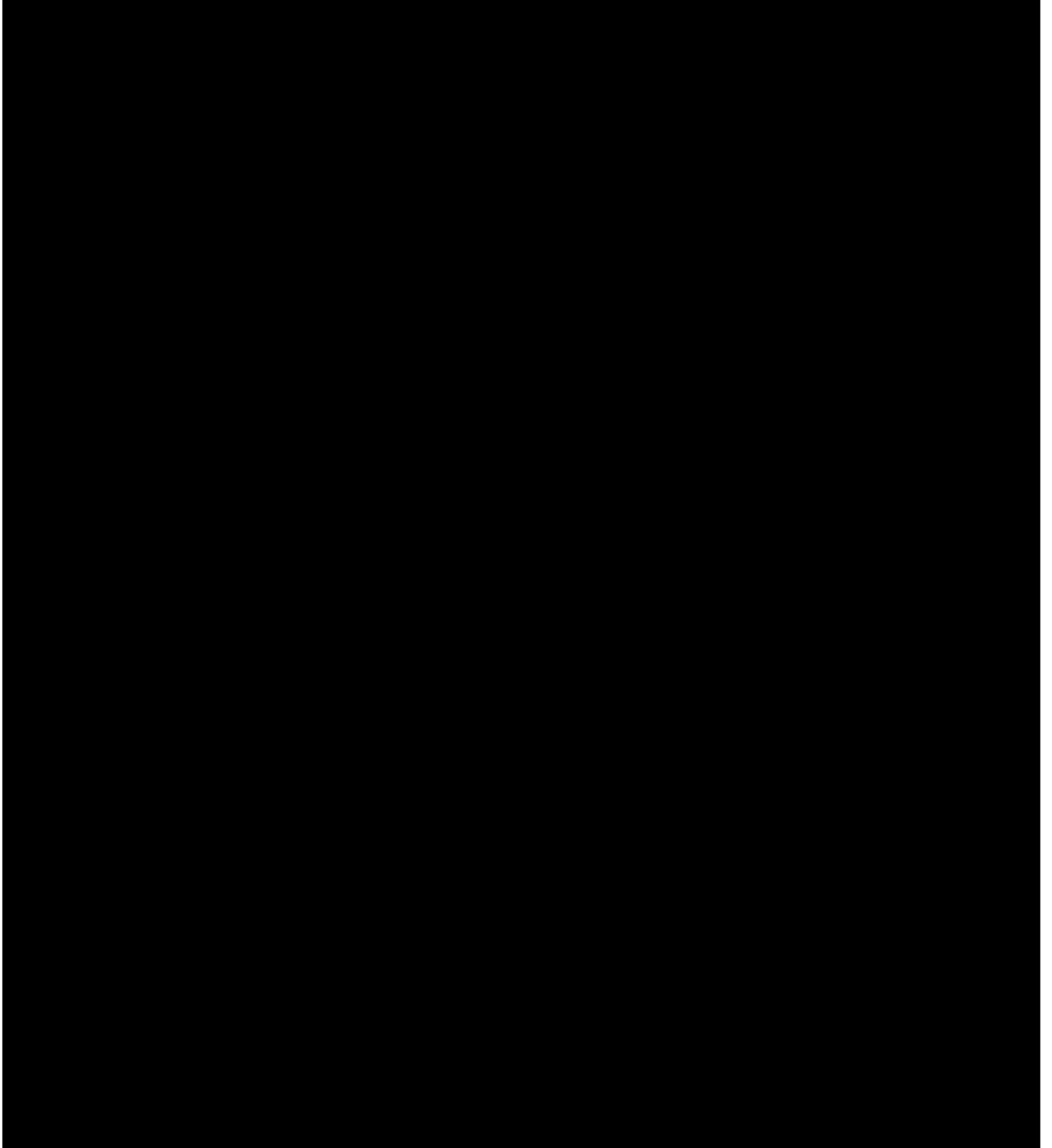
A. The San Francisco Charter vests the City Attorney with authority to represent the City in legal transactions and to retain consultants to assist him with such representation.

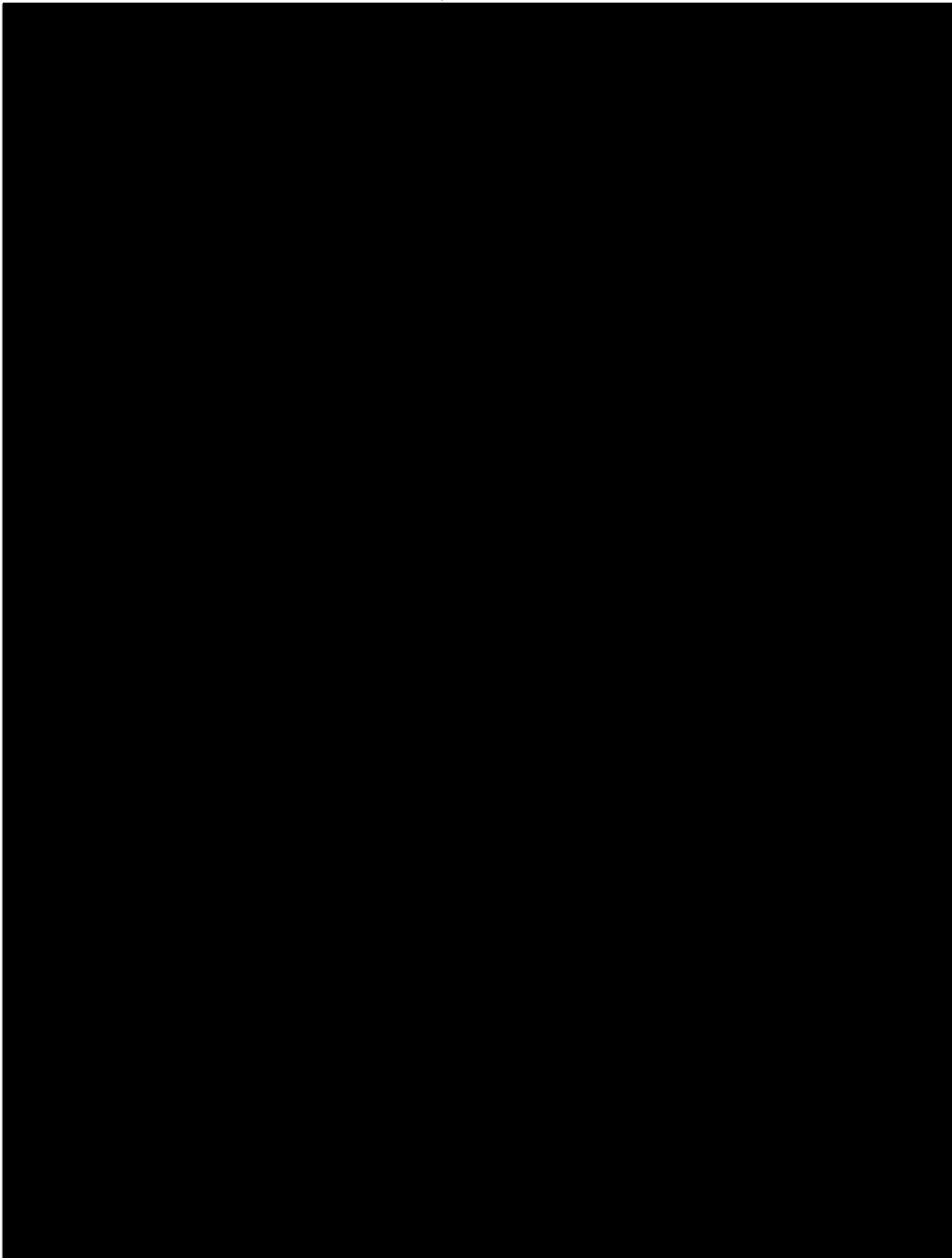


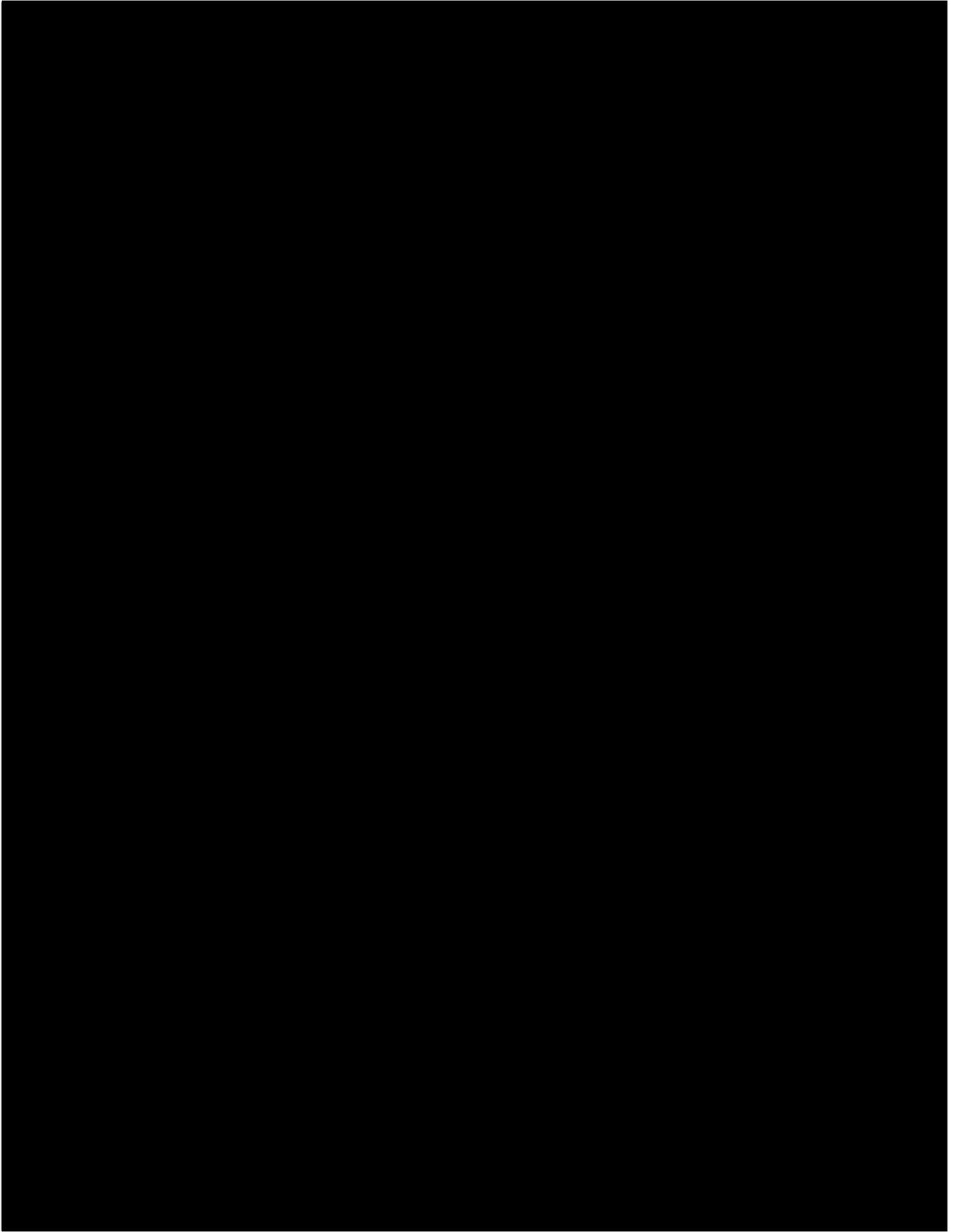
**NOW, THEREFORE,** the parties agree as follows:


**1. SCOPE OF SERVICES**

**1.1 Scope**









**1.3 Retention of Records.** Jefferies shall maintain records in accordance with Section 8.3 of the City Administrative Code, to the extent applicable (and such records shall be subject to examination and audit by authorized City personnel upon reasonable prior written notice pursuant to Section 21.34 of the City Administrative Code).

**1.4 Maintaining Attorney-Client Privilege and Work Product Protection.** Jefferies acknowledges that it has no authority to waive the attorney-client privilege or attorney-work product protection on behalf of City or City Attorney.

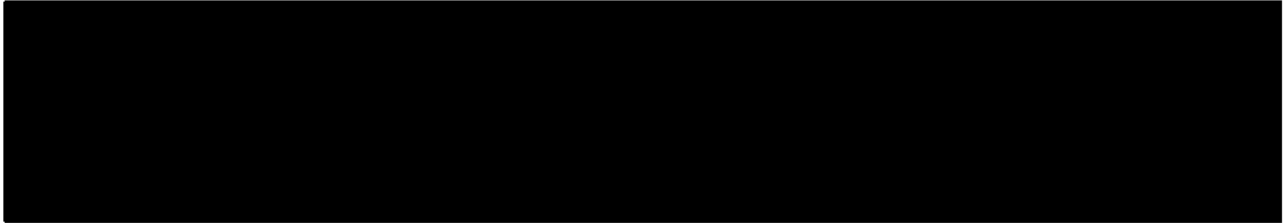
**2. TERM.** The term of this Agreement ("Term") shall commence upon the execution of this Agreement by both the City and Jefferies no later than May 17, 2019, and this Agreement will remain in full force and effect (and will not be deemed completed) until the earlier of (i) September 17, 2022, or (ii) the total fees and reimbursable amounts payable under this Agreement reach the maximum fee amount set forth on Appendix B and Appendix B-1, unless sooner terminated under Section 6 of this Agreement. This Agreement may be extended by mutual written agreement of the City Attorney and Jefferies as provided in Section 22.4 of this Agreement.

**3. EFFECTIVE DATE.** This Agreement shall become effective upon full execution and delivery of this Agreement by both parties.

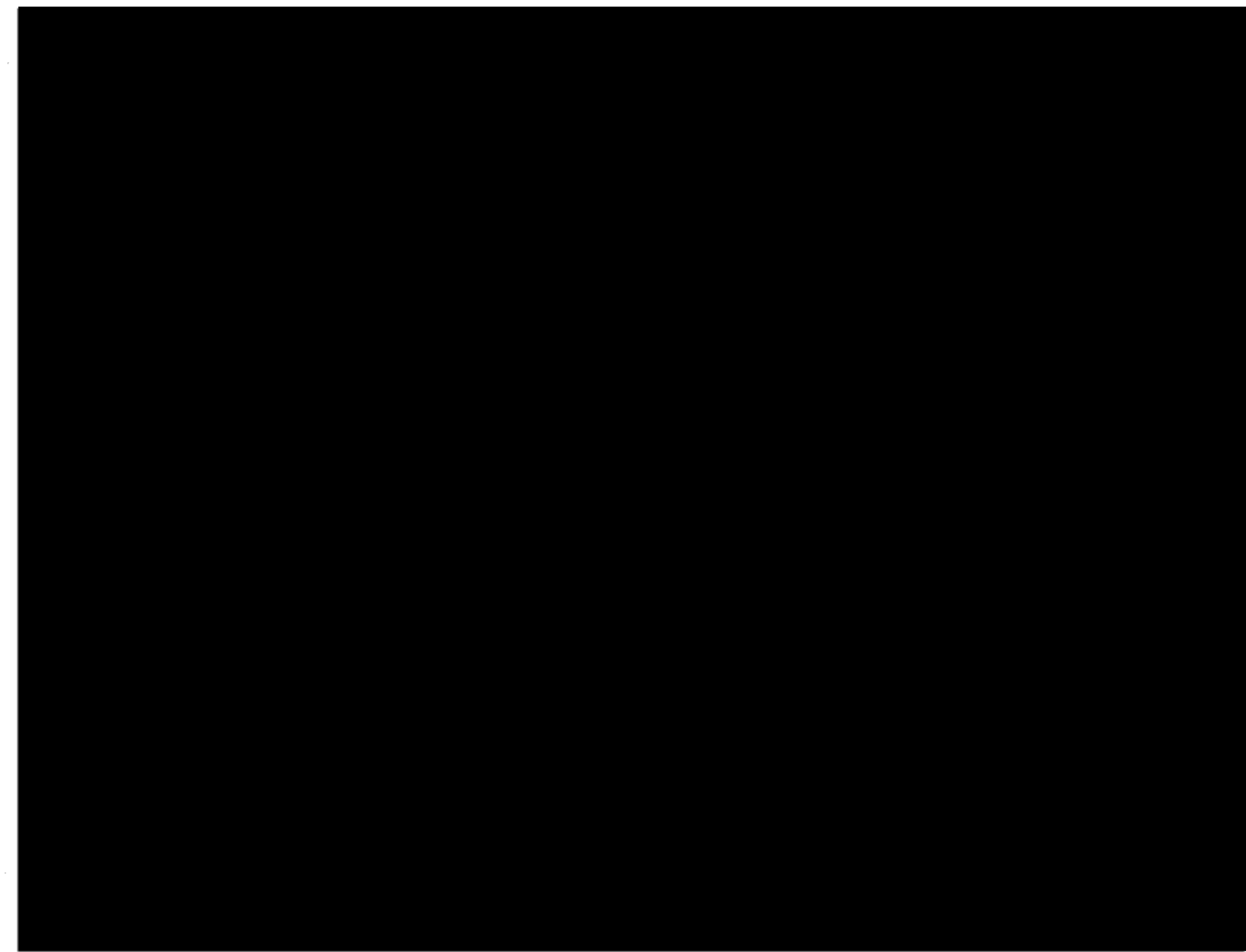
**4. COMPENSATION**

**4.1 Fee and Expense Schedule.** In consideration for the substantial efforts that Jefferies will undertake on behalf of the City, the City shall compensate Jefferies for all of the services rendered by Jefferies under this Agreement as set forth in the Fee and Expense Schedule attached as Appendix B and Appendix B-1, subject to the terms and conditions contained in this Agreement. Such compensation is the total compensation for all of the services to be rendered

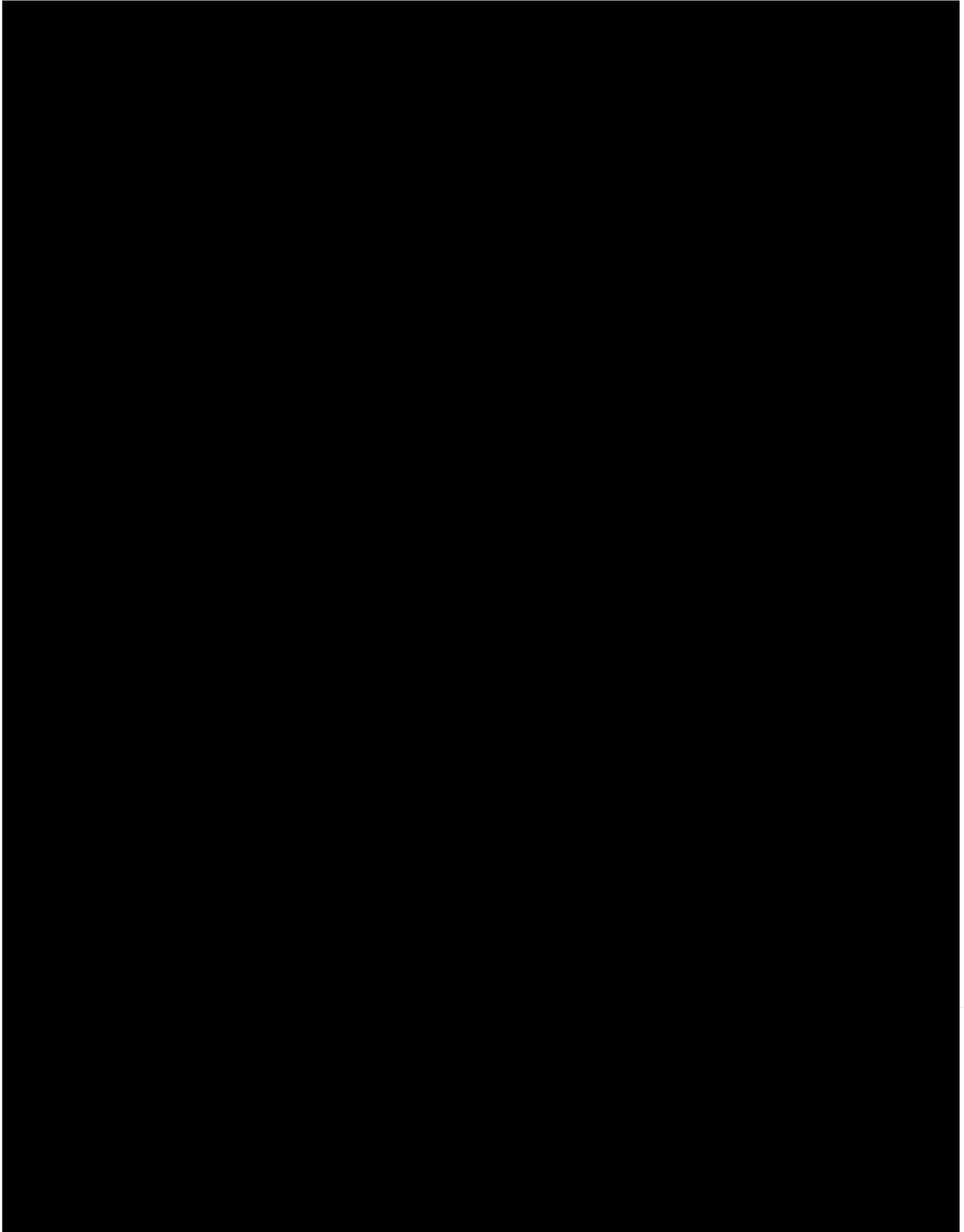
by Jefferies under the terms of this Agreement. The Fee and Expense Schedule may not be modified except by written instrument executed and approved in the same manner as this Agreement.

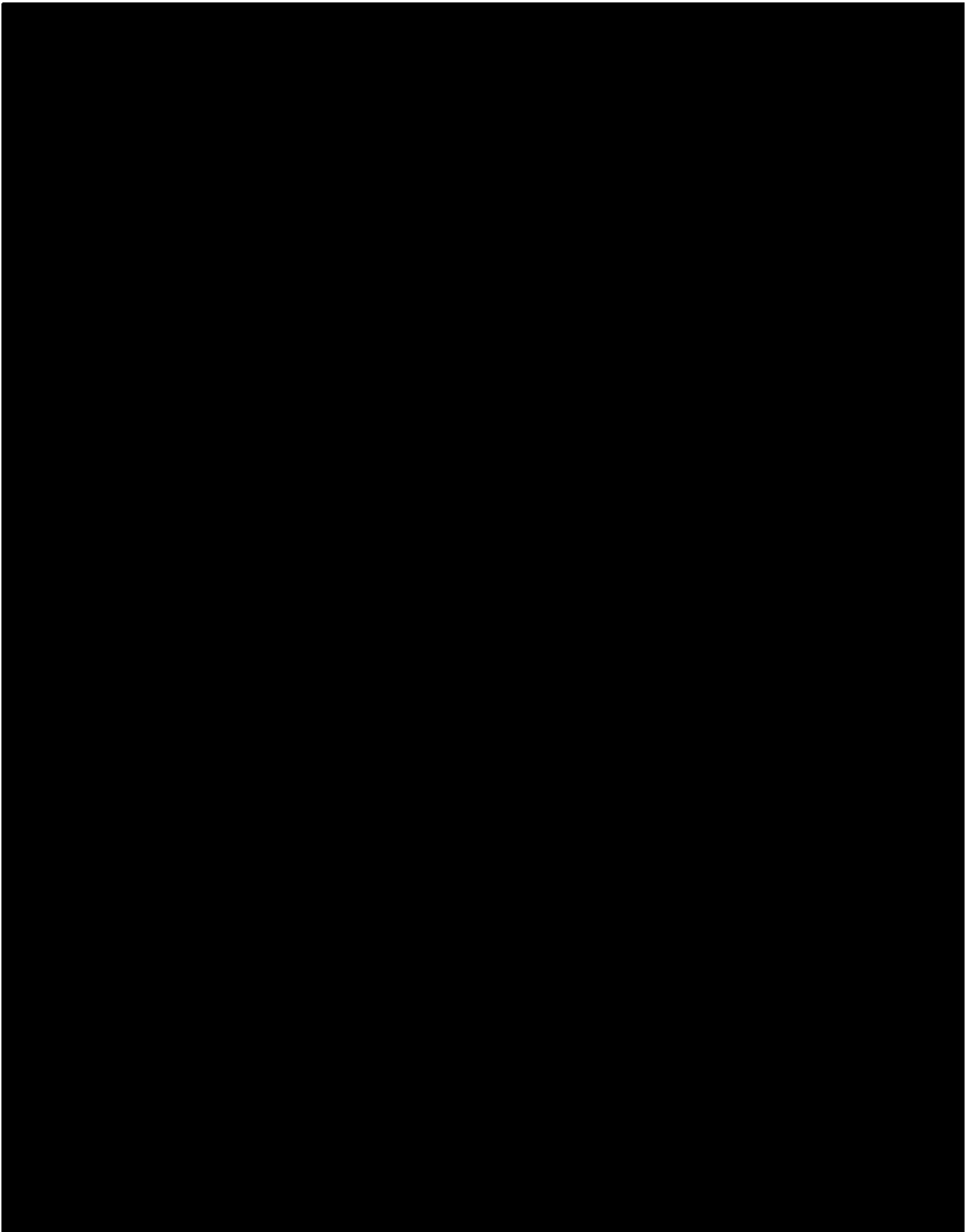


**4.2 Not to Exceed Contract Amount.** In no event shall the total fees and reimbursable amounts payable under this Agreement exceed the maximum fee amount set forth on Appendix B and Appendix B-1. The not to exceed amount may not be modified except by written instrument executed and approved in the same manner as this Agreement; provided however that any agreement to increase the maximum fee amount to a sum exceeding \$10 million or more or increase the term beyond ten (10) years shall be subject to approval by the Mayor and the Board of Supervisors, in their sole discretion.



**5. METHOD OF PAYMENT**



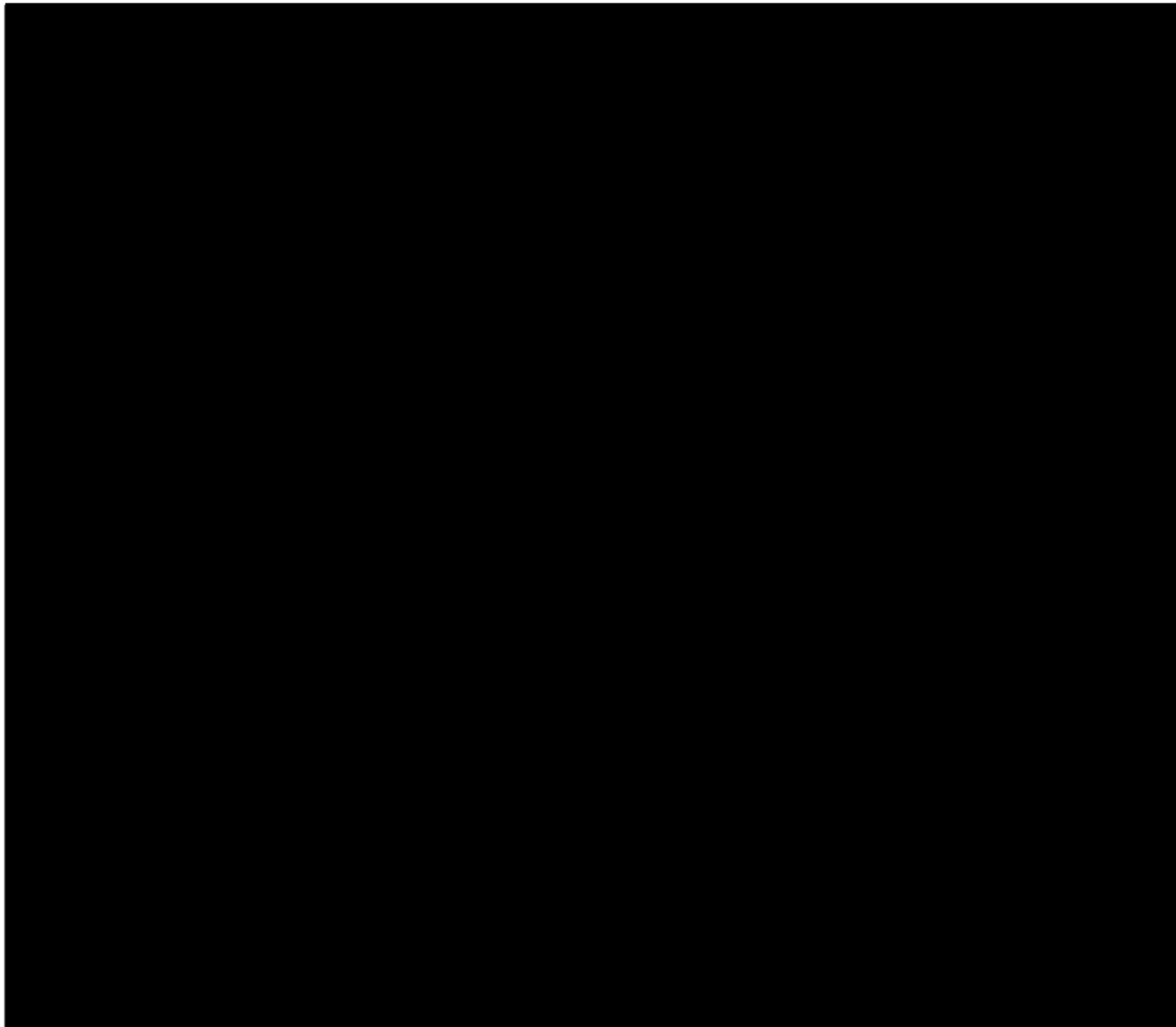






**8. INSURANCE**

**8.1 Required Coverage.** Without in any way limiting Jefferies's liability pursuant to the "Indemnification" section of this Agreement, and subject to approval by City's Risk Manager of the insurer and the policy forms, Jefferies shall procure and maintain throughout the Term of this Agreement, at Jefferies's sole expense, the following insurance:





**9. ASSIGNMENT AND SUBCONTRACTING**

**9.1 Limitations on Assignment.** Jefferies shall not, without written consent of the City Attorney, assign or transfer any interest in this Agreement, or delegate its performance of duties under this Agreement, in whole or in part; and no approval of any assignment, transfer, or delegation of duties shall constitute approval of any subsequent assignment, transfer or delegation of duties. Jefferies recognizes and agrees that the services to be performed under this Agreement are personal in nature, and the City Attorney may give, withhold or condition his consent in his sole and absolute discretion.

**9.2 Limitations on Subcontracting.** Jefferies shall be prohibited from subcontracting this Agreement or any part of it unless Jefferies first obtains the City Attorney's

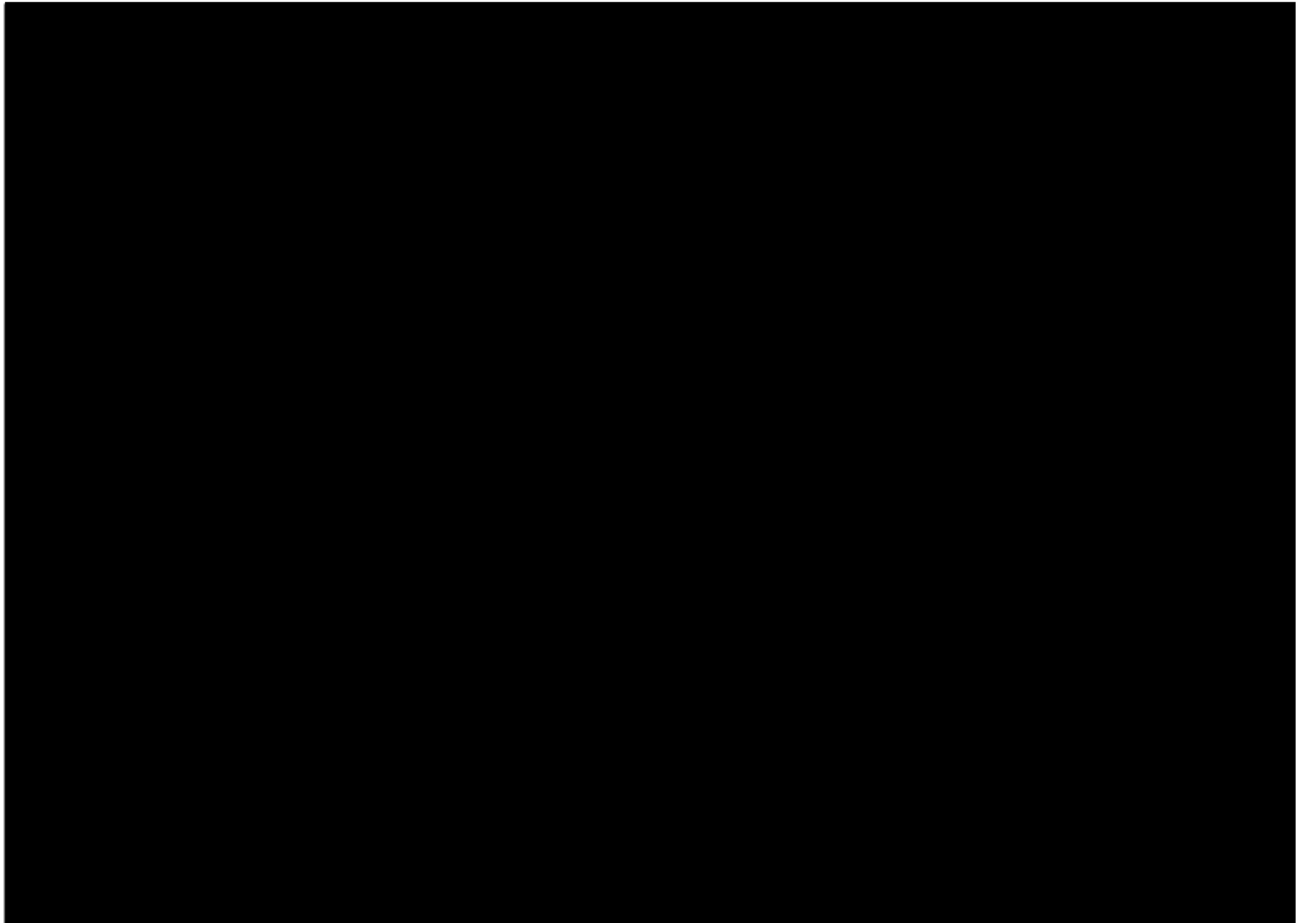
written approval of the subcontractor or subconsultant and the scope of services to be performed under any subcontract. Any such subcontracting will be subject to the approval of the City Attorney in his sole and absolute discretion. An agreement made in violation of this provision shall confer no rights on any other party and shall, at the City's sole option, be void.

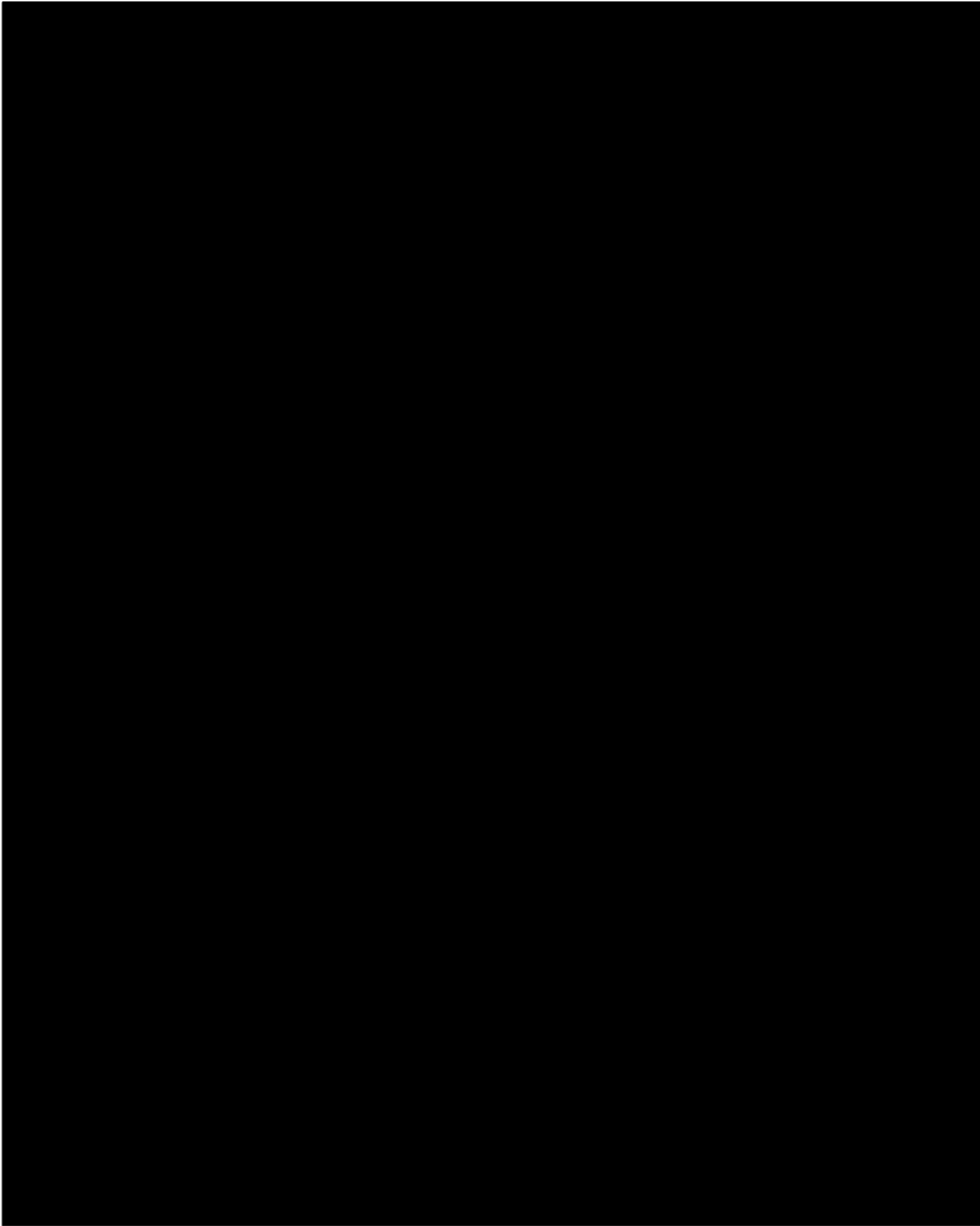
## **10. CONFLICTS OF INTEREST**

**10.1 Knowledge of Conflict.** Through its execution of this Agreement, Jefferies acknowledges that it is familiar with the provisions of section 15.103 of City's Charter, Article III, Chapter 2 of the City's Campaign and Governmental Conduct Code, and sections 87100 *et seq.* and sections 1090 *et seq.* of the Government Code of the State of California, and certifies that it does not know of any facts which constitute a violation of said provision and agrees that it will immediately notify the City if it becomes aware of any such fact during the term of this Agreement.

### **10.2 Disclosure of Any Conflicts.**

Jefferies has performed an internal conflicts check in accordance with its standard practices and confirms that it has not discovered any conflict of interest that would prevent it from providing the services under this Agreement to City Attorney. To the best of Jefferies' knowledge, no City employee, officer or agent has a financial interest in Jefferies in violation of Section 10.1 above.






**12. NONDISCRIMINATORY EMPLOYMENT AND BUSINESS OPPORTUNITIES PRACTICES**

**12.1 Jefferies Shall Not Discriminate.** In the performance of this Agreement, Jefferies agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, height, weight, sexual orientation, gender identity, domestic partner status, marital status, disability or Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status) against any employee of, any City employee working with, or applicant for employment with Jefferies, in any of Jefferies's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Jefferies.

**12.2 Subcontracts.** Jefferies shall incorporate by reference in all subcontracts, as may be permitted under this Agreement, the provisions of §§12B.2(a), 12B.2(c)-(k), and 12C.3 of the San Francisco Administrative Code (copies of which are available from City Attorney) and shall require all subcontractors to comply with such provisions. Jefferies's failure to comply with the obligations in this subsection shall constitute a material breach of this Agreement.

**12.3 Non-Discrimination of Benefits.** Jefferies does not as of the date of this Agreement and will not during the term of this Agreement, in any of its operations in San Francisco, or where any part of this Agreement is being performed for City elsewhere in the United States, discriminate in the provision of bereavement leave, family medical leave, health benefits, membership or membership discounts, moving expenses, pension or retirement benefits or travel benefits, as well as any benefits other than the benefits specified above, between employees with domestic partners and employees with spouses, and/or between the domestic partners and spouses of such employees, where the domestic partnership has been registered with a governmental entity pursuant to state or local law authorizing registration.

**12.4 Declaration.** As a condition to this Agreement, Jefferies shall execute the "Chapter 12B Declaration: Nondiscrimination in Contracts and Benefits" form (Form CMD 12B-101) with supporting documentation.

### 13. NOTICES

All notices or other communications to either party by the other as may be required by this Agreement shall be made in writing and delivered in person or by next-day delivery using a nationally recognized overnight courier as follows:

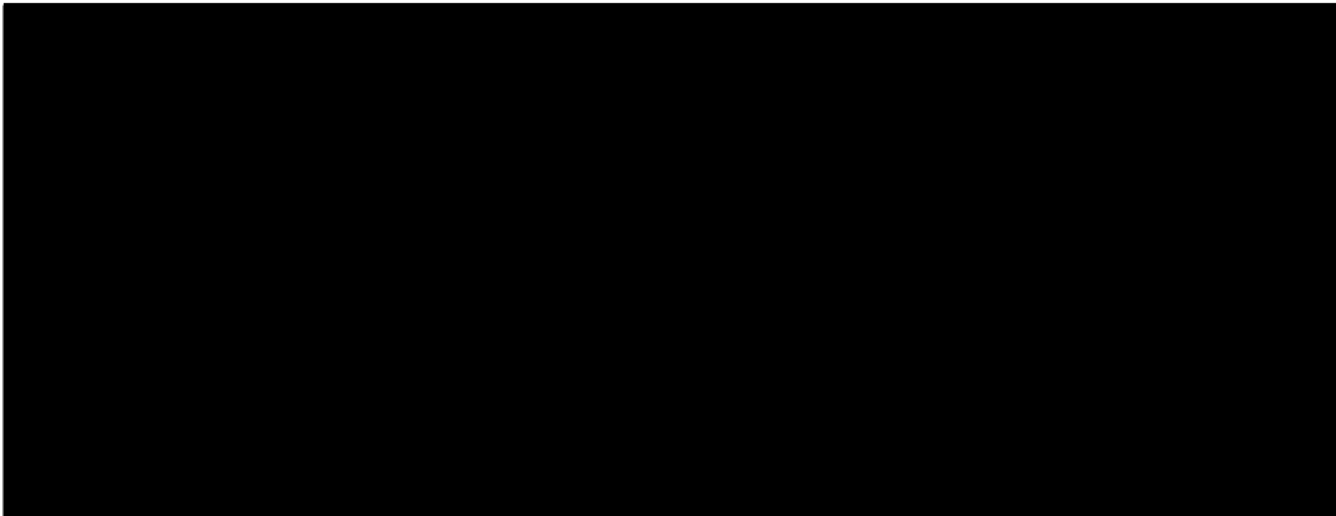
To City: San Francisco City Attorney's Office  
City and County of San Francisco

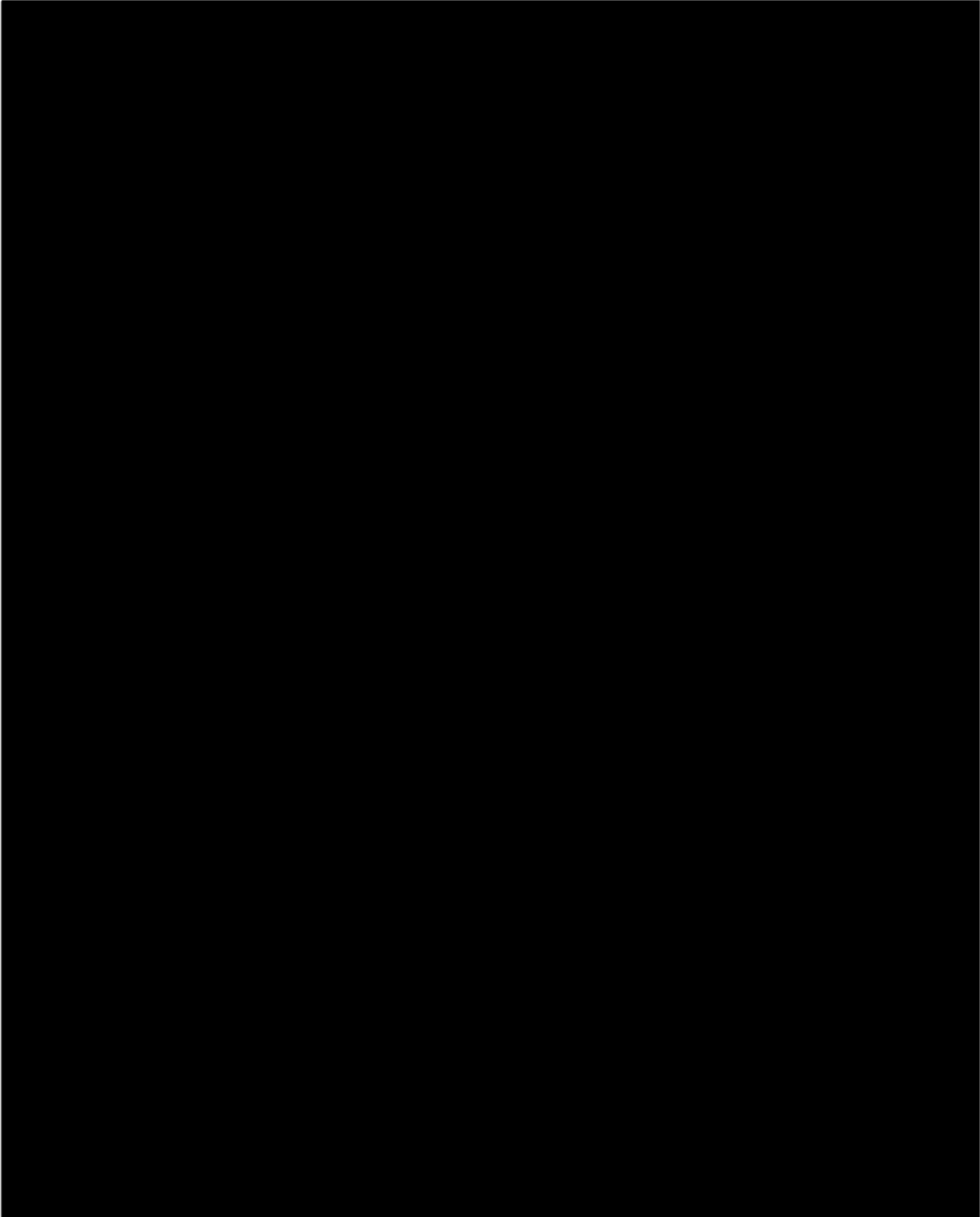
Office of the City Attorney  
City Hall, Room 234  
1 Dr. Carlton B. Goodlett Place  
San Francisco, CA 94102-4682  
Direct: (415) 554-4700  
Fax: (415) 554-4755  
Email: [theresa.mueller@sfcityatty.org](mailto:theresa.mueller@sfcityatty.org),  
[mark.blake@sfcityatty.org](mailto:mark.blake@sfcityatty.org)

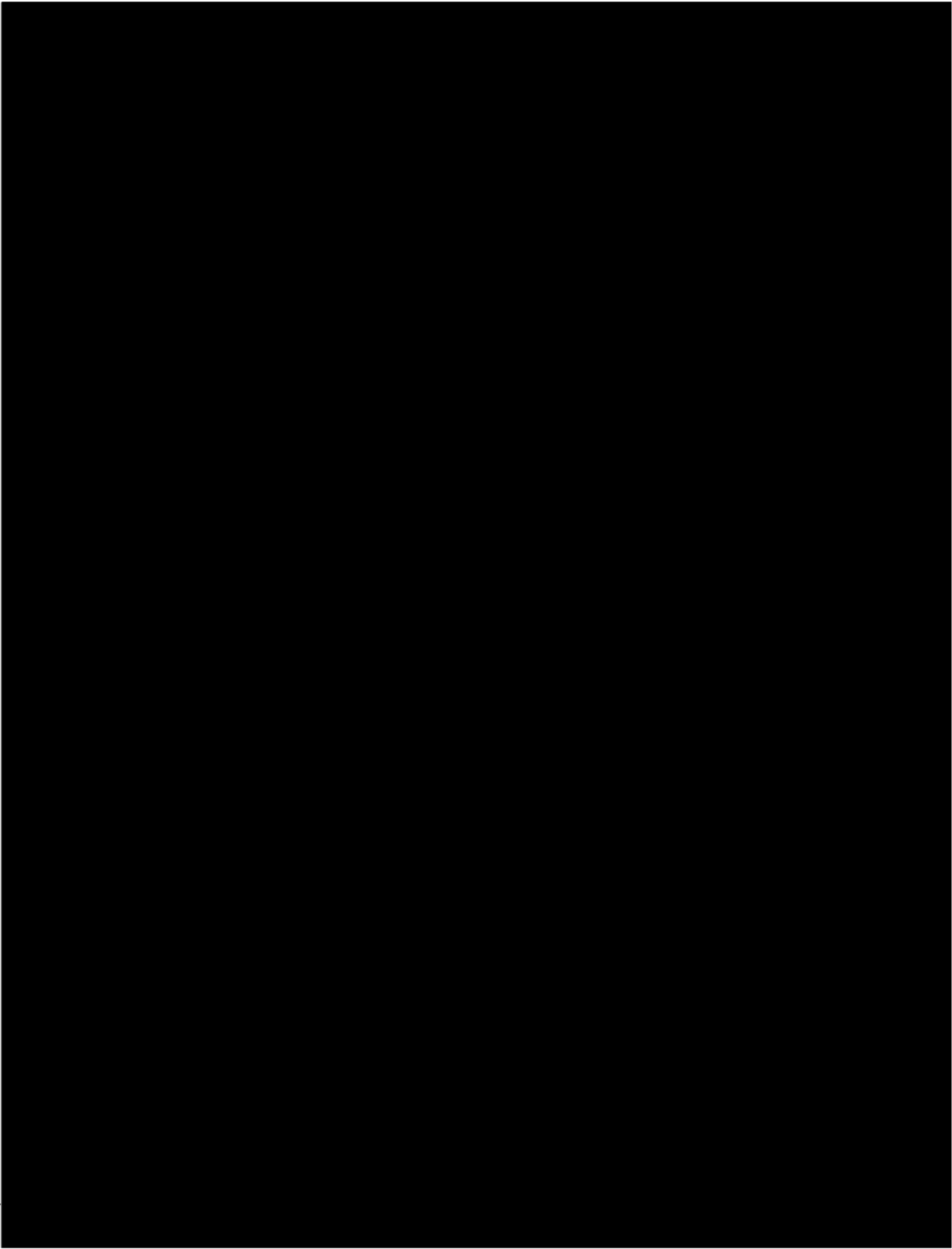
Attn: Theresa Mueller, Mark D. Blake,  
Deputy City Attorneys

To Jefferies: Jefferies LLC  
520 Madison Avenue  
New York, New York 10022  
(212) 284-2237  
Attention: General Counsel

Delivery may be made to such other address as either City or Jefferies may designate as its new address for such purpose by notice given to the other in accordance with the provisions of this Section 13 at least ten (10) days prior to the effective date of such change.









**16.2 No Limitation.** All remedies provided for in this Agreement may be exercised individually or in combination with any other remedy available under this Agreement or under applicable laws, rules and regulations. The exercise of any remedy shall not preclude or in any way be deemed to waive any other remedy.

**17. OWNERSHIP OF RESULTS.** Any interest of Jefferies or its approved subconsultant or subcontractors, in drawings, plans, specifications, blueprints, studies, reports, memoranda, computation sheets, computer files and media or other documents prepared by Jefferies or its subconsultants or subcontractors, in connection with services to be performed under this Agreement, shall become the property of and will be transmitted to the City. Any such work product shall be attorney work product and subject to the attorney-client privilege of the City; provided however, that this paragraph shall not be read to cover any proprietary software or models or computer files owned by Jefferies prior to the Effective Date of this Agreement, and not prepared or created for purposes of providing the services under this Agreement.

**18. NON-WAIVER OF RIGHTS.** The omission by either party at any time to enforce any default or right reserved to it, or to require performance of any of the terms, covenants, or provisions hereof by the other party at the time designated, shall not be a waiver of any such default or right to which the party is entitled, nor shall it in any way affect the right of the party to enforce such provisions thereafter.

**19. TROPICAL HARDWOOD AND VIRGIN REDWOOD BAN.** Pursuant to §804(b) of the San Francisco Environment Code, the City urges Jefferies not to import, purchase, obtain, or use for any purpose, any tropical hardwood, tropical hardwood wood product, virgin redwood or virgin redwood wood product.

**20. DRUG-FREE WORKPLACE POLICY.** Jefferies acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited on City premises. Jefferies agrees that any violation of this prohibition by Jefferies, its employees, agents or assigns will be deemed a material breach of this Agreement.

**21. COMPLIANCE WITH AMERICANS WITH DISABILITIES ACT.** Jefferies acknowledges that, pursuant to the Americans with Disabilities Act (ADA), programs, services and other activities provided by a public entity to the public, whether directly or through a Jefferies, must be accessible to the disabled public. Jefferies shall provide the services specified in this Agreement in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. Jefferies agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Agreement and further agrees that any violation of this prohibition on the part of Jefferies, its employees, agents or assigns will constitute a material breach of this Agreement.

**22. GENERAL CONDITIONS**

**22.1 Severability.** Any provision or portion of this Agreement prohibited as unlawful or unenforceable under any applicable law of any jurisdiction shall as to such jurisdiction be ineffective without affecting other provisions of this Agreement. If the provisions of such applicable law may be waived, they are hereby waived to the end that this Agreement may be deemed to be a valid and binding Agreement enforceable in accordance with its terms.

**22.2 Governing Law.** The formation, interpretation and performance of this Agreement shall be governed by the laws of the State of California. No claim shall be commenced, prosecuted or continued other than in the courts of the State of California located in the City and County of San Francisco, and Jefferies hereby submits to the jurisdiction of said courts. Venue for all litigation relative to the formation, interpretation and performance of this Agreement shall be in San Francisco.

**22.3 Compliance with Laws.** Jefferies shall keep itself fully informed of applicable City Charter, codes, ordinances and regulations of the City and of all applicable state and federal laws in any manner affecting the performance of this Agreement and understands its obligation to comply with such applicable codes, ordinances, and regulations and all applicable laws as they may be amended from time to time.

**22.4 Modifications to this Agreement.** Neither this Agreement nor any term or provisions hereof may be changed, waived, discharged, or terminated, except by a written instrument signed by both parties or except as otherwise expressly provided in this Agreement.

**22.5 Approvals by City; Point of Contact.** All approvals or consents requested or required under this Agreement may be given by the City Attorney or his designee. All such approvals or consents may be given or withheld in the City Attorney's sole discretion, unless otherwise expressly provided. Silence shall not be considered approval of the City for any purposes hereof.

**22.6 Notification of Limitations on Contributions.** Through execution of this Agreement, Jefferies acknowledges that it is familiar with section 1.126 of the City's Campaign and Governmental Conduct Code, which prohibits any person who contracts with the City for the rendition of personal services, for the furnishing of any material, supplies or equipment, for the sale or lease of any land or building, or for a grant, loan or loan guarantee, from making any campaign contribution to (1) an individual holding a City elective office if the contract must be approved by the individual, a board on which that individual serves, or a board on which an appointee of that individual serves, (2) a candidate for the office held by such individual, or (3) a committee controlled by such individual, at any time from the commencement of negotiations for the contract until the later of either the termination of negotiations for such contract or six months after the date the contract is approved. Jefferies acknowledges that the foregoing restriction applies only if the contract or a combination or series of contracts approved by the same individual or board in a fiscal year have a total anticipated or actual value of fifty thousand dollars (\$50,000) or more. Jefferies further acknowledges that the prohibition on contributions applies to each prospective party to the contract; each member of Jefferies board of directors; Jefferies's chairperson, chief executive officer, chief financial officer and chief operating officer; any person with an ownership interest of more than 20 percent in Jefferies; any subcontractor or subconsultant listed in the bid or contract; and any committee that is sponsored or controlled by

Jefferies. Additionally, Jefferies acknowledges that Jefferies must inform each of the persons described in the preceding sentence of the prohibitions contained in Section 1.126.

**22.7 Execution in Counterparts.** This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same Agreement.

**22.8 Requiring Minimum Compensation for Covered Employees.** Jefferies shall comply fully with and be bound by all of the provisions of the Minimum Compensation Ordinance (MCO), as set forth in San Francisco Administrative Code Chapter 12P (Chapter 12P), including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 12P are incorporated by reference and made a part of this Agreement as though fully set forth. The text of the MCO is available on the web at [www.sfgov.org/olse/mco](http://www.sfgov.org/olse/mco).

**22.9 Requiring Health Benefits for Covered Employees.** Jefferies shall comply fully with and be bound by all of the provisions of the Health Care Accountability Ordinance (HCAO), as set forth in San Francisco Administrative Code Chapter 12Q, including the remedies provided, and implementing regulations, as the same may be amended from time to time. The provisions of Chapter 12Q are incorporated by reference and made a part of this Agreement as though fully set forth in this Agreement. The text of the HCAO is available on the web at [www.sfgov.org/olse](http://www.sfgov.org/olse).

**22.10. Prohibition on Political Activity with City Funds.** In accordance with San Francisco Administrative Code Chapter 12.G, Jefferies may not participate in, support, or attempt to influence any political campaign for a candidate or for a ballot measure (collectively, "Political Activity") in the performance of the services provided under this Agreement. Jefferies agrees to comply with San Francisco Administrative Code Chapter 12.G and any implementing rules and regulations promulgated by City's Controller. The terms and provisions of Chapter 12.G are incorporated into this Agreement by this reference. In the event Jefferies violates the provisions of this section, the City may, in addition to any other rights or remedies available under this Agreement, (i) terminate this Agreement, and (ii) prohibit Jefferies from bidding on or receiving any new City contract for a period of two (2) years. The Controller will not consider Jefferies use of profit as a violation of this section.

**22.11. Protection of Private Information.** If this Agreement requires the City to disclose "Private Information" to Jefferies within the meaning of San Francisco Administrative Code Chapter 12M, the terms and provisions of which are incorporated into this Agreement, Jefferies shall use such information only in accordance with the restrictions stated in Chapter 12M and in this Agreement and only as necessary in performing the services provided for under this Agreement. Any failure on the part of Jefferies to comply with the requirements of Chapter 12M will subject Jefferies to the enforcement and penalty provisions in Chapter 12M.

**22.12 Food Service Waste Reduction Requirements.** Jefferies shall comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in San Francisco Environment Code Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated by reference and made a part of this Agreement as though fully set forth.

**22.13 Consideration of Criminal History in Hiring and Employment Decisions.**

Jefferies agrees to comply fully with and be bound by all of the provisions of Chapter 12T, “City Contractor/Subcontractor Consideration of Criminal History in Hiring and Employment Decisions,” of the San Francisco Administrative Code (“Chapter 12T”), including the remedies provided, and implementing regulations, as may be amended from time to time. The provisions of Chapter 12T are incorporated by reference and made a part of this Agreement as though fully set forth in this Agreement. The text of the Chapter 12T is available on the web at <http://sfgov.org/olse/fco>.

**22.14 Interpretation of Agreement.** This Agreement has been drafted through a cooperative effort of both parties, and both parties have had an opportunity to have the Agreement reviewed and revised by legal counsel. No party shall be considered the drafter of this Agreement, and no presumption or rule that an ambiguity shall be construed against the party drafting the clause shall apply to the interpretation or enforcement of this Agreement.

**23. MACBRIDE PRINCIPLES—NORTHERN IRELAND.** Pursuant to San Francisco Administrative Code §12F.5, the City urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City urges San Francisco companies to do business with corporations that abide by the MacBride Principles. By signing below, the person executing this agreement on behalf of Jefferies acknowledges and agrees that he or she has read and understood this section.

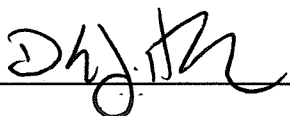
**24. PATRIOT ACT.** Jefferies hereby notifies the City that pursuant to the requirements of the USA PATRIOT Improvement and Reauthorization Act. Pub. L. N 109-177 (Mar. 9, 2006) (“Patriot Act”), it is required to obtain, verify and record information that identifies the City in a manner that satisfies the requirements of the Patriot Act. This notice is given in accordance with the requirements of the Patriot Act.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day first mentioned above.

**CITY AND COUNTY OF  
SAN FRANCISCO**

**JEFFERIES LLC**  
a Delaware limited liability company

**BY: DENNIS J. HERRERA**  
City Attorney

By:  \_\_\_\_\_

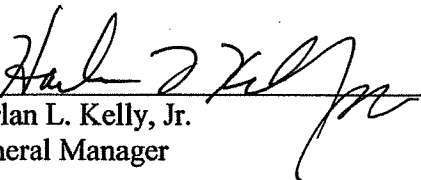
By: \_\_\_\_\_  
Simon A. Wirecki  
Senior Vice President

\_\_\_\_\_  
Federal Employer Number: 13-2615557

#### ACKNOWLEDGEMENT

As the General Manager of the San Francisco Public Utilities Commission ("SFPUC"), I hereby acknowledge that on this 17th day of May 2019, the City and County of San Francisco and Jefferies LLC are executing an agreement for investment banking advisory services ("Agreement") in connection with the proposed acquisition of PG&E distribution assets. The SFPUC acknowledges Section 4.3 of this Agreement and will take the necessary budgetary actions to ensure that funds are available when and as needed to make Monthly Advisory payments and Termination Payments, if any, to Jefferies in accordance with the schedules shown on Appendix B and B-1 to the Agreement.

**SAN FRANCISCO PUBLIC UTILITIES COMMISSION**

By:  \_\_\_\_\_  
Harlan L. Kelly, Jr.  
General Manager

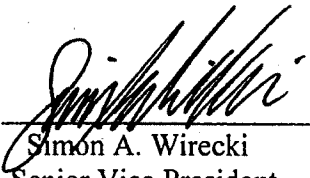
IN WITNESS WHEREOF, the parties have executed this Agreement on the day first mentioned above.

**CITY AND COUNTY OF  
SAN FRANCISCO**

**JEFFERIES LLC**  
a Delaware limited liability company

**BY: DENNIS J. HERRERA**  
City Attorney

By: \_\_\_\_\_

By:   
\_\_\_\_\_  
Simon A. Wirecki  
Senior Vice President

\_\_\_\_\_  
Federal Employer Number: 13-2615557

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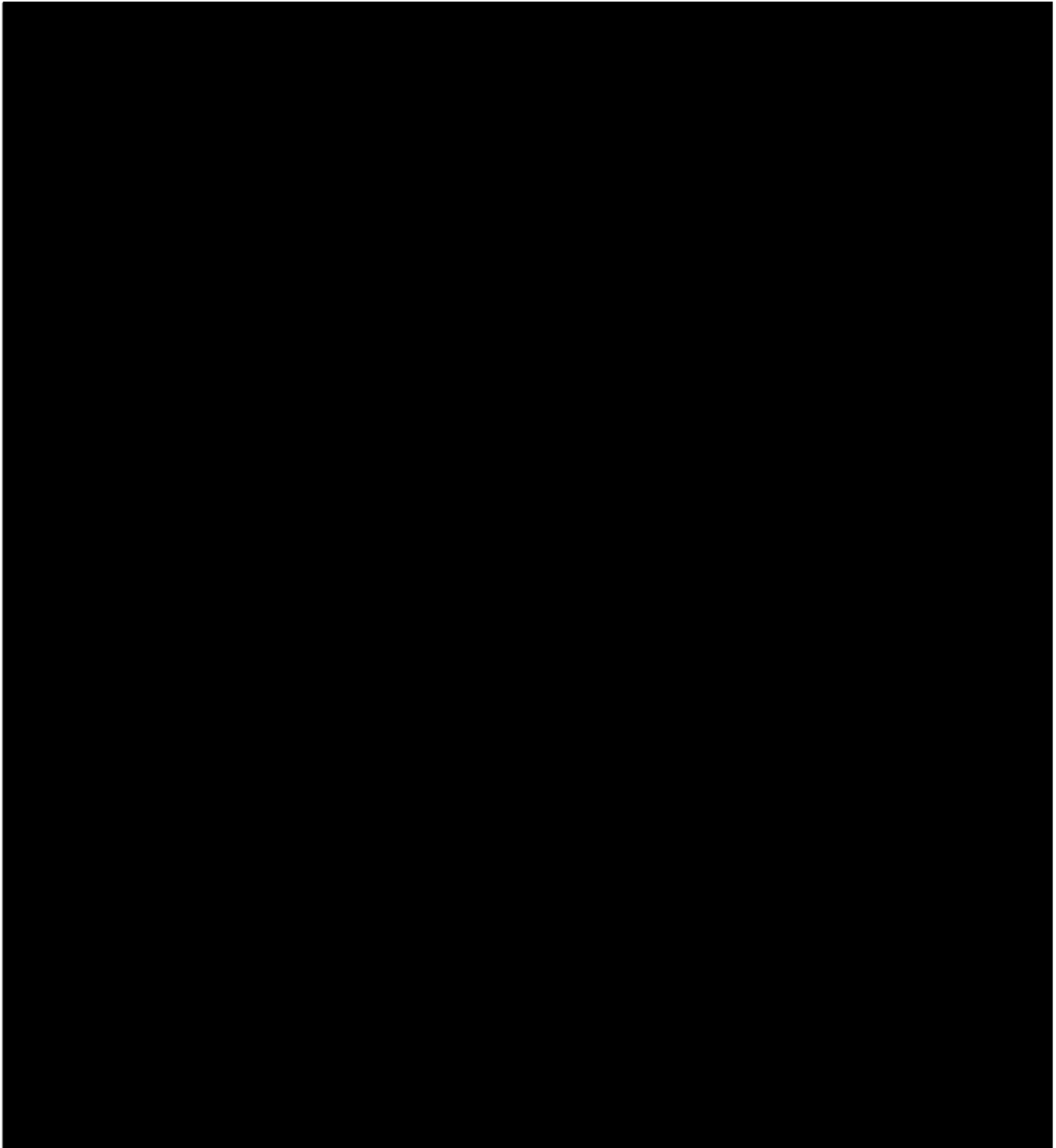
#### SAN FRANCISCO PUBLIC UTILITIES COMMISSION

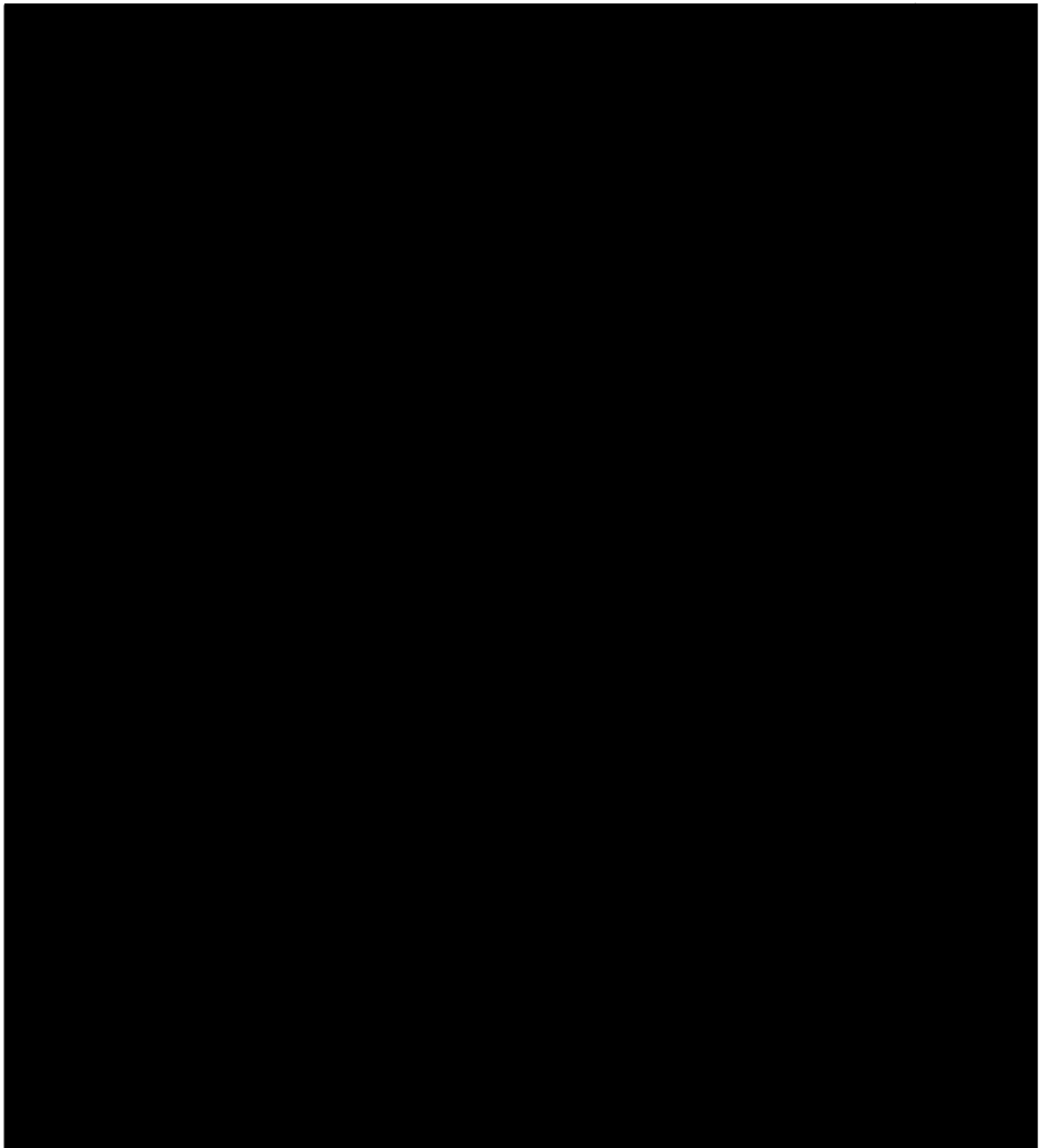
By: \_\_\_\_\_  
Harlan L. Kelly, Jr.  
General Manager

## **APPENDIX A**

### **SCOPE OF SERVICES**

In connection with this engagement, Jefferies will provide the following services, as customary and appropriate, and as may be reasonably requested and directed by the City Attorney, including, among other things:



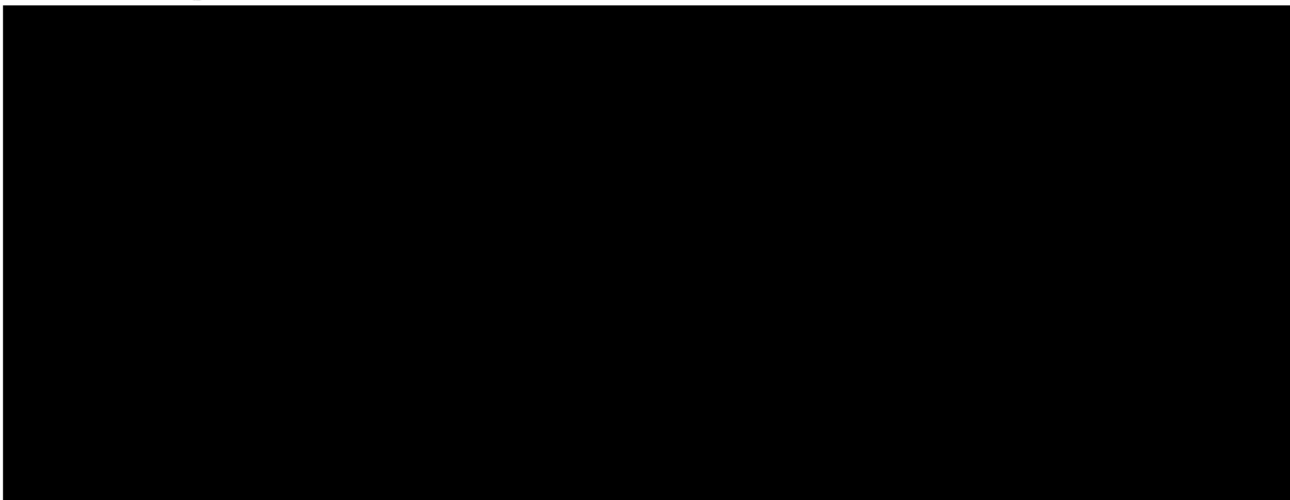




## APPENDIX B

### FEES AND EXPENSES

Jefferies will be compensated for its services under this Agreement in accordance with the fee schedule provided below.



(b) At the closing of the Transaction, a fee of \$9,999,000 ("Transaction Fee"), subject to the credit set forth in subsection (a) above, and the credit for the payment of expenses as set forth in subsection (d) below.

(c) In the event that the City has paid Jefferies \$9,999,000 (inclusive of the Transaction Fee and the payment of any out of pocket disbursements to Jefferies) in Monthly Advisory Fees (including any Termination Payment) prior to the closing of the Transaction, the City agrees to promptly negotiate in good faith with Jefferies appropriate additional fees for Jefferies' ongoing services under this Agreement (including a new Transaction Fee); provided however the parties to this Agreement acknowledge and agree that any increased compensation payable to Jefferies will be subject to approval by the Board of Supervisors of the City, in their sole and absolute discretion. Jefferies will provide written notice to the City when the fee accumulation under this Agreement has reached \$9,500,000. The parties to this Agreement further acknowledge that nothing set forth in this Agreement shall obligate the City to extend the term of this Agreement, or otherwise agree to increase the compensation payable to Jefferies beyond a maximum of \$9,999,000 under any circumstances.

