



GENTRY LOCKE
Attorneys

Gregory J. Haley

haley@gentrylocke.com

P: (540) 983-9368

F: (540) 983-9400

March 3, 2023

By email to Lonzo.Lester@RussellCountyVA.us

Russell County Board of Supervisors
c/o Mr. Lonzo Lester
Russell County Administrator
137 Highland Drive
Lebanon, VA 24266
Email: Lonzo.Lester@RussellCountyVA.US

Re: Legal Representation Agreement/Engagement Letter/**Refinancing documents for Polycap and Parole Office debts**

Dear Mr. Lester:

We appreciate the opportunity to represent Russell County again. We look forward to working with you on this matter. We will do our best to provide high quality legal services in an effective, responsive and efficient manner.

Scope of Services

You have asked us to represent the County with respect to the proposed refinancing by the Industrial Development Authority ("IDA") of the outstanding amounts of two bonds: An economic development bond issued for the Polycap, LLC manufacturing facility in Lebanon, and a construction bond for the new probation/parole building and government facility build out ("the Refinancing").

This project will likely involve review and of revision of several agreements that will govern the relationships among Polycap, the IDA, First Bank & Trust, and the County, including loan agreements, support agreements, security and pledge agreements, moral obligation agreements, UCC financing statements, and a lease between Polycap and the IDA.

We will provide the legal services reasonably required to accomplish the assignment. We will keep you reasonably informed of developments in the representation. You agree to cooperate with us, to provide accurate and complete information, to keep us informed of developments that affect the representation, and to pay our bills on time.



Please contact us if you have any questions concerning the representation. We will address any questions promptly.

The Client

For this representation, our client is Russell County, Virginia, and the Russell County Board of Supervisors. We do not represent any affiliates, affiliated individuals, or constituents of the client unless expressly stated in this engagement letter.

Staffing

I will be the attorney primarily responsible for the representation. If you have any questions about our services, staffing, billing or other aspect of our representation, please contact me. My direct dial telephone number is 540-983-9368.

Other attorneys and professional staff will work on the matter to provide the legal services in an efficient, economical manner.

Charges for Legal Services

Unless otherwise agreed in writing, we will charge for our legal services based primarily on the amount of time devoted to a matter at the hourly rates for the particular professionals and staff involved, in increments of one-tenth or one-fourth of an hour. Our hourly rates are based on the experience, and expertise of the individuals involved. My hourly rate for this matter will be \$400.00 per hour; Kathy Wright will assist at \$300.00 per hour; these rates are discounted due to the client's status as a locality.

We normally revise these rates annually as of January 1 of each year and any new rates are implemented immediately.

We will provide you with periodic statements that describe the services rendered and itemize the expenses incurred in connection with our representation. These statements are due and payable upon receipt.

This letter, along with the attached Terms of Representation, constitutes our agreement for legal representation with you. Please let us know promptly if you have any questions with respect to any part of this agreement.

We are available to discuss any of these issues as may be needed.



We ask that you sign a copy of this letter and return it to us.

Thank you for retaining Gentry Locke. We look forward to working with you on this matter.

Very truly yours,

GENTRY LOCKE



Gregory J. Haley

Client Agreement:

By: 

Lonzo Lester
County Administrator, Russell County, Virginia,
with permission of the Russell County Board of Supervisors

GENTRY LOCKE TERMS OF REPRESENTATION

These Terms of Representation, together with any engagement letter, set forth the basis upon which Gentry Locke (the "Firm") will provide legal services to the Client and bill for those services.

1. *The Client:* The Client should have a clear understanding of the legal services we will provide. The Firm will address any questions the Client may have promptly. The Client is the person or entity that is identified in any engagement letter or billing statement as the Client. The Client shall not include any affiliates, affiliated persons, or constituents of such person or entity (i.e., if the Client is a corporation or limited liability company, any related companies, employees, officers, directors, shareholders, or members are not a Client of the Firm unless identified as a Client).

2. *Costs:* The Firm's performance of legal services involves costs and expenses that the Client will either pay directly or for which the Client will reimburse the Firm. In the normal course of the work, the Firm will incur, and may bill the Client at the rates established by the Firm, for those expense items which include, but are not necessarily limited to:

- Filing fees
- Mileage, lodging, parking and other travel expenses
- Experts and third party vendor expenses
- Computerized research charges
- Delivery and messenger services
- Printing, copying and reproduction costs
- Extraordinary postage
- Long distance telephone
- Storage fees

3. *Standard Billing and Payment Procedures:* The Firm will provide the Client with periodic statements which set forth the services rendered and itemize the expenses incurred in connection with the Firm's representation.

All of the Firm's statements are due and payable upon receipt by the Client. If payment is not received within sixty days, the Firm will charge interest on the unpaid balances at the annual rate of 6% until the balance is paid.

4. *Preserving Evidence/Emails.* If this matter involves actual or potential litigation, it is essential that the Client preserve all documents and other materials that may be evidence in the litigation. This duty to preserve potential evidence also applies to electronic communications, such as emails and texts. Please preserve all emails and similar electronic communications. Please do not discard or destroy any items that may be related to the matter without checking with us. We will work with you to make sure all potential evidence is appropriately preserved.

In addition, we ask that the Client avoid posting anything on social media that may relate to this matter. Please do not delete anything that may have previously been posted. Please set all social media settings to "Private."

5. *Estimates or Quotations:* If requested by the Client, and where feasible, the Firm will provide the Client with an estimate of the costs of the Firm's services for a particular matter. When estimates are given, unless otherwise specified in writing, they are not maximum, minimum, or fixed quotations. The ultimate costs may be more or less than the estimate. The accuracy of such estimates may vary, depending on facts and circumstances beyond the control of the Firm, such as the decisions or actions of third parties.

6. *Outcome and Contingency:* Any opinions expressed by any of the Firm's legal professionals about the outcome of a legal matter are only their professional estimates; such opinions are necessarily limited by such legal professionals' knowledge of the facts and the law at the time such opinions are expressed. Nothing in this agreement and nothing in the Firm's statements to the Client are to be construed as a promise or guarantee about the outcome of the Client's matters. Unless specifically stated in a separate writing, signed by the Client and on behalf of the Firm, payment for the Firm's services is not contingent upon the outcome of any matter.

7. *Electronic Communications:* In order to increase our efficiency and responsiveness, we intend to use electronic and computer communication methods including email, document transfers by computer, electronic document access sites, cellular telephones, and similar methods.

8. *No Third Party Beneficiaries:* Nothing in our agreement with the Client shall be construed to give any rights or benefits to anyone other than the Client. All duties and responsibilities undertaken by the Firm under our agreement with Client shall be for the sole and exclusive benefit of Client and not for the benefit of any other person or party.

9. *Termination of Engagement:* The Client may terminate this engagement with or without cause at any time upon written notice to the Firm. The Firm will return all of the Client's papers and property upon the termination of the engagement upon request. The Firm will, however, retain its own files. If the Client wishes copies of the Firm's files, the Firm will make copies of the Firm's papers available for copying consistent with provisions of the Virginia Rules of Professional Conduct. The Firm may ask the Client to pay any additional costs of copying. Termination of the Firm's services will not affect the Client's responsibility to pay for legal services rendered and all costs incurred up to the date when the Firm receives notice of termination, and for any further work required of the Firm in order to facilitate an orderly turnover of matters in progress at the time of termination.

The Firm may terminate the engagement for any of the reasons permitted under the Virginia Rules of Professional Conduct, including, but not limited to, the Client's failure to properly pay the Firm's bills. If required, the Firm may also apply for a court order approving the Firm's

withdrawal from representing the Client, or the Client may agree to such withdrawal.

10. *File Retention:* The Firm will keep the Client's legal files for seven years after the file has been closed. However, the Client agrees that the Firm may scan any documents in the Client's files and destroy the originals at any time. The Firm may destroy all files after seven years. If the Client wishes the Firm to keep the Client's files for a longer period of time, the Client must advise the Firm in writing. Also, if the Client wishes for the Client's files to be returned to the Client rather than destroyed as indicated herein, the Client must advise the Firm in writing.

11. *Cyber Security.* During the course of the representation, the Firm may have access to the Client's confidential information ("Confidential Information"). The Firm will use reasonable efforts to protect and safeguard Confidential Information.

12. *Forum:* Any legal action arising from or relating to any disputes under this agreement shall be brought in the Circuit Court for the City of Roanoke, Virginia, or the United States District Court for the Western District of Virginia, Roanoke Division, and the Client hereby consents to personal jurisdiction of these courts for any such legal action. Virginia law (without regard to its choice of law rules) will govern the merits of any dispute or claim.

13. *Fee Disputes.* Any dispute involving attorneys' fees shall be resolved through the arbitration provisions of the Fee Dispute Resolution Program administered by the Virginia State Bar. The prevailing party in any fee dispute shall recover their reasonable attorneys' fees and costs incurred in the arbitration or other proceeding.