

February 10, 2025

**VIA E-MAIL**

Todd Logsdon, Mayor  
City of Frostburg  
37 S. Broadway  
Frostburg, Maryland 21532

Hayden Lindsey, Acting City Administrator  
City of Frostburg  
37 S. Broadway  
Frostburg, Maryland 21532

Re: 2025 MDE Financing (the “Matter”)

Dear Mr. Logsdon and Mr. Lindsey:

We appreciate The City of Frostburg (“Client”) selecting McGuireWoods LLP (“McGuireWoods”) as your legal counsel in connection with the Matter. This letter, along with the attached McGuireWoods Standard Engagement Terms (dated 1 January 2023), state the terms of our engagement (“Engagement Agreement”), unless we mutually agree on different terms and confirm them in writing. Please review this letter and the attached terms, and contact me if you have any questions about the Engagement Agreement.

1. **Nature and Scope of Services.** In the Matter, McGuireWoods will represent Client in connection with serving as bond counsel to City of Frostburg in connection with a taxable water quality loan from Maryland Department of the Environment.

Unless the previous paragraph limits the scope of our engagement, McGuireWoods will perform all services reasonably associated with our work on the Matter. If Client asks us to expand the scope of our work, and McGuireWoods agrees in writing to the expanded scope of work, the terms set out in the Engagement Agreement will apply to our work.

Unless such services are specifically mentioned above, our work on the Matter will not include (a) tax advice or (b) advice on any disclosure obligations, including those imposed by federal securities law.

2. **Conflicts of Interest.** We did not identify any conflicts of interest that would prevent McGuireWoods from representing Client in the Matter.

Three sections of the Standard Engagement Terms – Consent to Representing Adverse Parties in Unrelated Matters; Consent to Representing Other Clients Adverse to Client; and Competing Client

Interests – confirm your prospective consent to certain future conflicts of interest. These provisions require no additional notice to you in the event we choose to rely on such prospective consents.

3. **Fees for Our Services.** Our fees are based on current hourly billing rates, which we usually adjust annually, of the lawyers and other timekeepers who work on the Matter. These rates vary depending on our lawyers’ experience and expertise. We will notify you when we adjust our billing rates, which currently range from \$665 for new associates to \$1,680 for senior partners. We will provide a 15% discount on the hourly rates of our attorneys and professionals who work on your matter. The current rates for the people who will likely work on the Matter are:

	<u>Standard Rate</u>	<u>Discounted Rate</u>
Anna C. Horevay, Partner	\$1,150.00	\$977.50
Clint Randolph, Counsel	\$1,070.00	\$909.50
Barbara Funk, Paralegal	\$425.00	\$361.25

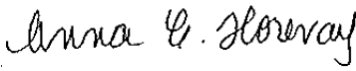
4. **Additional Terms.** The attached Standard Engagement Terms set out additional terms that govern McGuireWoods’ representation of Client in the Matter. Those terms are part of the Engagement Agreement. Please review them carefully and contact me if you have any questions or concerns.

5. **Acceptance of Terms.** Please sign and return a copy of this letter to confirm your acceptance of the Engagement Agreement for the Matter.

McGuireWoods is pleased Client has selected us to serve as counsel. We look forward to serving and working with Client. Please contact me promptly if the Engagement Agreement does not set forth your understanding of the scope and terms of our engagement, and feel free to call me in the future if you have any questions or concerns.

Sincerely,

**McGuireWoods LLP**

By: 

Anna C. Horevay, Partner

By executing this letter, I represent and warrant that I am duly authorized on Client’s behalf in my representative capacity to do so, and I confirm that the Engagement Agreement accurately states the terms upon which Client has retained McGuireWoods in the Matter, and Client understands and agrees to be bound by those terms.

**The City of Frostburg**

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Todd Logsdon, Mayor

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Hayden Lindsey, Acting City Administrator

# MC GUIRE WOODS LLP STANDARD ENGAGEMENT TERMS

## **Who McGuireWoods Represents**

Our attorney-client relationship is limited to the person or entity identified in the attached engagement letter. McGuireWoods does not represent any other person or entity in the Matter unless we agree in writing to such representation.

That means, absent a written agreement to the contrary, if Client is a corporate entity or any other type of organization, we do not represent any of your parent entities, subsidiaries, affiliates, employees, members, officers, directors, shareholders, or partners in the Matter. Similarly, if Client is an individual, we do not represent any of your family members.

Because McGuireWoods does not represent any entity other than Client, we may represent other clients in matters unrelated to the Matter, including litigation, where our clients are adverse to persons or entities that are affiliated with you, without obtaining Client consent.

## **New Affiliations**

If Client becomes affiliated with another company via acquisition, merger, or other transaction, you will promptly notify us of the change so that we can assess whether the new affiliation creates any conflicts of interest for McGuireWoods or a situation where we may choose to no longer represent you. Our representation of Client cannot be assigned to a new entity without McGuireWoods' written consent.

## **Cooperation**

Client must disclose all facts of which you are aware and keep us advised of all developments relating to the Matter for McGuireWoods to represent Client effectively. We will contact Client at the most recent mailing and electronic addresses you provide. You agree to advise us of any changes to your contact information. If

Client is an organization, you also agree to advise us of any changes in your organizational structure, and when necessary, provide contact information for your successor.

We will keep you informed about the status of the Matter and answer any questions you may have.

## **Confidentiality**

McGuireWoods will not provide Client with any confidential information about our other clients, even if that information could be beneficial to you in the Matter. We will not provide Client's confidential information to any of our other clients.

## **Usage of Cloud Services**

McGuireWoods may use cloud services to transfer and store electronic data, including emails and documents containing confidential information. McGuireWoods evaluates third-party service providers that have access to confidential client information and requires their adherence to (i) industry standard frameworks for information security to protect the confidentiality, integrity, and availability of data, and (ii) applicable data protection laws. Cloud service providers the firm uses operate under service agreements that impose safeguards consistent with our legal and ethical obligations.

Although use of cloud technology creates a risk that unauthorized parties may access confidential information, Client agrees that the benefits of using cloud technology outweigh the risks of a breach of a cloud service provider's data environment resulting in the unauthorized disclosure of confidential information. Client consents to McGuireWoods using cloud services and agrees to hold McGuireWoods harmless from any breach of a cloud service provider's data environment resulting from actions or circumstances that are not within

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McGuireWoods' direct control.

McGuireWoods has a secure, encrypted file transfer system and a secure extranet that facilitate safely storing and sharing information between Client and the firm. If Client requires McGuireWoods to use a cloud service that the firm normally eschews (due to data security concerns) to store, share or exchange documents or other information generated or exchanged in the course of the Matter, McGuireWoods assumes no responsibility for the security of the data or the provider's security standards.

Client understands that encryption keys held by cloud service providers give them full access to data stored on their platforms, and that cloud services providers may be legally compelled to produce Client data to government agencies pursuant to "blind subpoenas," with no notice to Client or McGuireWoods.

## **Outside Contractors and Service Providers**

McGuireWoods may use outside contractors and service providers to assist with certain areas of our practice and operations. For example, McGuireWoods may use consultants, advisors, experts, investigators, court reporters, translators, registered agents, local counsel, litigation support, courier services, and temporary or contract attorneys and paralegals. McGuireWoods may also employ service providers with special expertise in information technology, hardware and software systems, law firm practice management, accounting and financial matters, and electronic billing.

In the course of their work, some outside contractors and service providers may have access to confidential client and firm information. If that is the case for the Matter, the third-party service providers will operate under service agreements that are consistent with our legal and ethical obligations.

## **Consent to Representing Adverse Parties in Unrelated Matters**

You consent in advance to McGuireWoods accepting matters for parties whose interests are adverse to yours where the matters are unrelated to the work we do for you and do not involve you as a party. More specifically, if we are representing you in a matter adverse to a party that wishes to retain us to represent it in an unrelated transaction or litigation to which you are not a party, you consent in advance to McGuireWoods accepting that engagement. Of course, we will continue to protect the confidentiality of your information.

## **Consent to Representing Other Clients Adverse to Client**

In addition, McGuireWoods may be asked to represent other clients (meaning both existing clients and future clients) that may be Client's direct competitors or have business and legal interests that are contrary to your interests.

These clients may hire McGuireWoods for matters including, but not limited to, transactions, regulatory matters, lawsuits, and other dispute resolution proceedings. In these matters, our other client's interests may be or potentially may become directly adverse to your interests.

As a condition of our representation of Client in the Matter, you consent in advance to our representation of other clients in matters like the ones described in the previous paragraph, provided that the matter is unrelated to matters in which we represent you.

Obtaining a prospective consent from our clients helps McGuireWoods preserve our ability to represent a wide range of individuals and entities, including Client, and through these representations develop broad legal expertise. In connection with the

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prospective consent, Client understands and agrees to the following:

1. You will not use any matter we handle for you to assert a conflict of interest or to otherwise seek to disqualify McGuireWoods from any matter adverse to you, provided that the matter is not related to work we have done for you.
2. You waive any conflict of interest that may exist and any other basis that may be used to disqualify McGuireWoods in such a matter.
3. McGuireWoods has given you the opportunity to consult with other counsel about this consent.
4. Your consent to our representation of other clients adverse to you on the terms set out above is voluntary and informed.
5. You intend for this consent to be enforceable and understand that McGuireWoods may rely upon it.

## **Competing Client Interests**

Our clients sometimes compete for the same assets (e.g., in the auction of a company). If the Matter involves this type of situation, you consent to our representation of other clients (i.e., competing bidders or purchasers) in the same matter.

Similarly, we may represent another client in obtaining patents or other intellectual property rights that may affect your interests, even though you are not involved directly in the matter as an adverse party. You consent to our handling such matters without disclosure to you, and you agree that you will not use our representation of you as a basis to seek disqualification of McGuireWoods from such a matter.

In situations like the ones described in the preceding two paragraphs, McGuireWoods will create separate teams for Client and each other client and will establish an “ethics screen” to prevent the exchange of

confidential information among the teams. Our duty of confidentiality may prevent us from identifying our other clients for you or disclosing your identity to our other clients.

## **McGuireWoods Consulting, LLC**

McGuireWoods Consulting, LLC (“MWC”) is a wholly owned subsidiary of the McGuireWoods law firm. MWC provides non-legal services, including government and public affairs, advocacy communications, infrastructure and economic development, and other strategic consulting services. MWC does not practice law. This engagement for legal services does not include MWC’s services or create a client relationship with MWC. If you choose to hire MWC, a separate engagement agreement with MWC will be established. You are not required to hire the McGuireWoods law firm to obtain MWC’s services, or vice versa. You acknowledge that you are not represented by MWC in the Matter, and you consent to MWC’s representation of other persons and entities on legislative, administrative, or other matters within MWC’s consulting purview that may adversely affect your interests, directly or indirectly, but are unrelated to the Matter.

## **Lobbying**

If any legal work provided by the McGuireWoods law firm is considered lobbying under U.S. federal or state laws, we may have certain registration and reporting duties about our activities on your behalf. We will bill you for the time spent preparing and filing any required reports.

## **Insurance Coverage**

You may have insurance coverage that is relevant to the Matter. Contact your insurance carrier to explore potential coverage for any claim or potential claim that may be involved in the Matter.

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Unless we agree in writing to do so, McGuireWoods will not advise you on the availability of insurance coverage or indemnification from other parties for the fees, costs, and expenses related to the firm's work on the Matter.

If an insurance company pays your fees, costs, and expenses related to the Matter, you agree to pay any difference between what the insurer agrees to pay McGuireWoods, and the total amount due under the fee and payment terms described in the Engagement Agreement.

## **HIPAA**

If you are a "covered entity" (as defined by the Health Insurance Portability and Accountability Act ("HIPAA")) and our services will require the use of any protected health information, you should notify us before sending or discussing such information. Our standard practice is to execute a business associate agreement to comply with your obligations under HIPAA as a covered entity and our obligations as a business associate.

## **Marketing**

McGuireWoods shares transactional matter information with aggregators, legal directories, and rating services such as Bloomberg, Thomson Reuters, and Chambers and Partners. This is limited to high-level information regarding transactions, including identification of the parties involved. Those entities use such information in their league tables and rankings and for other similar purposes. We may also use such high-level information in firm marketing materials, such as "tombstones" and website experience descriptions. (We will provide samples of such materials and submissions upon your request.)

Unless you tell us otherwise, we may use information relating to transactions in which McGuireWoods has represented you for these limited purposes. In addition, you have our permission to identify McGuireWoods

and our lawyers in press releases and other announcements regarding transactions in which the firm represents you.

## **Costs and Expenses**

In addition to fees for the legal services described in the attached letter, McGuireWoods will charge you for all costs and expenses associated with our provision of services in the Matter. These charges may include, but are not limited to, travel expenses, delivery and courier services, photocopying, express mail, air courier services, online legal research, staff overtime, document reproduction, and court fees, and outside contractor and service provider costs and expenses related specifically to the Matter.

Unless Client makes special arrangements with McGuireWoods, Client is responsible for paying bills from outside contractors and service providers related to the Matter. McGuireWoods may instruct them to bill you directly for their services. Unless otherwise agreed, outside contractors and service providers are deemed to be directly engaged by Client even if their bills or invoices are addressed to McGuireWoods. If outside contractors or service providers send bills or invoices to us, we will re-direct them to you for payment. McGuireWoods may elect to pay some outside bills or invoices not exceeding \$1,000.00 or delay payment until you have reimbursed us. Client agrees to pay invoices for costs and expenses promptly upon receipt, and further agrees that while McGuireWoods is acting as the Client's counsel, we have the authority to use our best judgment in authorizing such expenditures.

Ediscovery services, if requested by Client, will be billed to Client by the hour as legal services at an agreed-upon rate. McGuireWoods will also bill Client directly for litigation support and technology services that Client engages the firm to provide in connection with the

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Matter. Litigation support services may include database creation, as well as data review, storage, and retrieval. Technology services may include using data analytics and other data science techniques to extract knowledge and insights from data, creating dashboard platforms or using collaboration service platforms. Costs incurred for litigation support and other technology services provided by McGuireWoods will be billed by the hour. McGuireWoods may also bill Client pass-through expenses associated with the firm's use of technology licensed by third parties.

## **Billing**

We will keep accurate records of the time we devote to the Matter, including, but not limited to, conferences, negotiations, preparation of correspondence, factual and legal investigation, research and analysis, document preparation and revision, court appearances, travel on your behalf, and other Matter-related tasks. We record time in tenths of an hour, and our monthly billing statements will itemize the time devoted to the Matter as well as fees, costs, and expenses.

## **Payment Terms**

Our statements are due within 30 days after receipt, unless we enter into a written agreement providing a different term. Except in those instances in which we agree to a written contingent fee arrangement, the payment of our fee is not dependent upon the successful outcome of a matter.

Occasionally, clients have difficulty making timely payments. To avoid unfairly burdening other clients who pay amounts due in a timely manner with higher fees reflecting the costs we incur as a result of delinquent accounts receivable, McGuireWoods may assess a monthly service charge of 1 percent on unpaid balances, where allowed by law.

## **Audit Response Letters**

If Client hires an accountant to audit its financial statements, the accountant may want McGuireWoods to provide a written description of pending or threatened claims or lawsuits to which we have given substantive attention on Client's behalf. Audit requests are typically conveyed in a form letter the accountant asks you to send us. Even if such requests do not implicate our work for Client on the Matter, we will bill you for our services in responding to the requests on your behalf in accordance with the billing and payment provisions for the Matter.

## **Production of Client Information**

Client agrees to compensate McGuireWoods at our normal hourly rates, plus costs and expenses, for work done by the firm or its outside counsel where (1) McGuireWoods is requested or authorized by you or your authorized successor, or required by government regulation, subpoena or other legal process, to produce information or our personnel as witnesses with respect to our work for you in the Matter; (2) McGuireWoods is not a party to the proceeding in which the information is sought; and (3) the request for information arises out of or in connection with our work for you in the Matter. This obligation applies even if our representation of you has ended.

## **Termination**

Our attorney-client relationship with respect to the Matter will terminate without further notice when we complete the services for which you have retained us in the Matter.

You may terminate our representation of you at any time by notifying us in writing. Termination of our services will not affect your responsibility (1) to pay McGuireWoods' fees for services rendered and costs and expenses incurred before the engagement was terminated, and (2) when necessary, to

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facilitate an orderly transition of your matter to new counsel.

Subject to applicable law and rules of professional conduct, McGuireWoods may terminate our representation of you during the Matter if you do not pay fees, costs, and expenses in a timely manner. We also reserve the right to withdraw from our representation of you as required or permitted by the applicable rules of professional conduct upon written notice to Client. If we terminate the representation, we will take reasonable steps to protect Client's interests in the Matter. Client agrees to take all action necessary to end the representation, including executing any documents necessary to perfect our withdrawal as your counsel. For example, if a court or other adjudicator requires permission for withdrawal, we will promptly request such permission, and Client agrees not to oppose our request.

## **Post-engagement Responsibility**

After completion of our engagement, changes may occur in applicable laws and regulations that could affect your rights and liabilities. Unless Client specifically re-engages McGuireWoods after completion of our engagement in the Matter to provide additional advice on such issues, McGuireWoods has no continuing obligation to advise you on any future legal developments that may pertain to the Matter.

## **Subsequent Matters**

If McGuireWoods agrees to handle additional matters for Client in the future, and McGuireWoods does not propose new engagement terms, the Engagement Agreement will apply to the new representations, except for terms relating to the nature and scope of services to be provided, and conflicts of interest, which will be separately addressed.

## **Record Retention**

At the conclusion of the Matter, we will return to you any records that you or your authorized successor specifically request us, in writing, to return. McGuireWoods may keep copies of records we return in accordance with our then-current record retention policy and the applicable rules of professional conduct.

When we close a completed matter, the firm discards duplicate documents and other inconsequential materials. Although our record retention policy is subject to change, we currently store hard copy and electronic records for seven years after we close a matter in accordance with our internal procedures. After seven years, or the period established by the firm's then-current record retention policy, stored records may be destroyed, with no further notice to you, except for records of continuing significance, such as wills, bonds, and stock certificates. Upon receipt of a written request from you or your authorized successor, McGuireWoods will return or transfer your records at any time before they are destroyed.

## **Opinions**

Any opinion we offer about the outcome of the Matter is an expression of our legal judgment, not a promise or guarantee. Our opinion is limited by our factual knowledge and is based on current law when the opinion is provided.

## **Indemnity**

Client understands and agrees that McGuireWoods will not provide any contractual indemnity to Client or any Client affiliate; local or co-counsel; consultant or expert witness; outside vendor, contractor or service provider; or any other third party in connection with the Matter.



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## **Severability**

If any term of the Engagement Agreement is to any extent invalid, illegal, or incapable of being enforced, such term shall be excluded to the extent it is invalid, illegal, or unenforceable. All other terms will remain in full force and effect. To the extent permitted and possible, an invalid or unenforceable term shall be deemed replaced by a term that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term.

## **Internal Legal Advice**

During our representation of you, our lawyers may have questions about their legal and ethical obligations. These lawyers may seek advice from our internal counsel, including lawyers in our Office of General Counsel and other lawyers who assist the Office of General Counsel and do not work on the Matter.

You agree that:

1. For the purpose of seeking advice, we may disclose your confidential information to our internal counsel.
2. You waive any conflicts of interest that could arise when one or more of our internal counsel address issues concerning you and any other current clients of the firm.
3. Any advice given by such counsel will be protected by the firm's attorney-client privilege, both during and after our representation of you.

## **Notice for Texas Matters**

The State Bar of Texas investigates and prosecutes professional misconduct committed by Texas attorneys. Although not every complaint against or dispute with a lawyer involves professional misconduct, the State Bar's Office of Chief Disciplinary Counsel will provide you with information about how to file a complaint. Call 1-800-932-1900 for more information. In addition,

McGuireWoods subscribes to the professionalism principles contained in the [Texas Lawyers' Creed](#).

## **Notice for California Non-Contingency Matters**

Upon request by Client, McGuireWoods shall provide a bill to Client no later than 31 days following the date the most recent bill was provided. The Client may make similar requests at intervals of no less than 30 days following the initial request. In responding to Client requests for billing information, McGuireWoods may use billing data that is currently effective on the date of the request, or, if any fees or costs to that date cannot be accurately determined, they shall be described and estimated.

## **Advice of Other Counsel**

You understand that the Engagement Agreement is legally binding. You have the right, and have had a reasonable opportunity, to ask another lawyer to review and advise you about the advisability of accepting the terms of the Engagement Agreement, including but not limited to the scope of the engagement; fee, cost and payment provisions; and the consents requested and provided.

## **Entire Agreement**

The attached letter and these Standard Engagement Terms constitute the Engagement Agreement between McGuireWoods and Client regarding the Matter. You acknowledge that there are no other agreements (either oral or written) with McGuireWoods regarding the Matter. No additional terms, or modification or waiver of any previously agreed upon terms, are valid unless agreed to in writing by both McGuireWoods and Client.