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May 2, 2023

Via E-mail [jmaerten@pendletonny.us]

Town of Pendleton
Attn: Town Supervisor Joel Maerten
6570 Campbell Blvd.
Lockport, New York 14094

Dear Supervisor Maerten and Members of the Town Board:

Re: Legal Representation

Thank you for considering our firm to act as bond counsel to the Town of Pendleton (the “Town” or “you”) in connection with the construction and financing of a community center. This letter will spell out our firm’s customary procedures and expectations in order to clarify our mutual responsibilities.

Responsibilities of Bond Counsel. As a matter of custom and prudence, both issuers and the purchasers of tax-exempt bonds have come to require an opinion of recognized bond counsel in connection with the issuance of the securities. The opinion ordinarily provides, among other things, that (1) the obligations have been properly authorized and issued and are valid, and (2) the interest on the obligations is excludable from gross income for federal income tax purposes and exempt from New York personal income taxation.

In order to establish the factual basis for the legal conclusions expressed in our opinion, we would prepare a record of proceedings (or transcript) which contains all documents and other materials necessary in our view to ensure that the form and substance of the transaction conform with the requirements of the Federal Internal Revenue Code, the New York Local Finance Law, the New York Town Law, and other applicable New York State Law. Included in the record of proceedings would be various resolutions adopted by the Town Board of the Town authorizing the issuance of the obligations. Also included in the record of proceedings would be certificates certifying to different facts establishing, for example, the tax-exempt status of the obligations. We would be responsible for drafting these resolutions and certificates, as well as other documents which are customary and appropriate in these transactions. In addition, we would assume responsibility for other administrative matters, such as coordinating meetings, having bond forms prepared, making arrangements for the closing, and coordinating with the Town Attorney.

In addition, we will review the official statements prepared by the Town's municipal advisor relating to the obligations, for the limited purpose of ensuring conformity with the aforescribed record of proceedings. Except for such limited review of the official statements, we typically assume no responsibility for any disclosure which may be required under state or federal securities laws in connection with the issuance and sale of the obligations (excepting only the description of the obligations and the record of proceedings appearing in the offering documents relating to the obligations) or for the accuracy, completeness or fairness of statements, representations, information or financial data supplied by the Town, or by its municipal advisor, or by any financial institution providing credit enhancement for the obligations.

Privacy Policy. During the course of this engagement, the firm may collect certain personal information relating to the services contemplated by this letter. When we do so, we require that clients provide the minimum amount of personal information necessary for us to perform our legal services. The collection of any such personal information will be governed by, and such personal information will be processed in accordance with, the firm's Privacy Policy, as well as any applicable privacy laws and codes of professional conduct. You can obtain a copy of the firm's Privacy Policy on our website at www.hodgsonruss.com or by requesting one from us.

Conflict Waiver. In connection with this representation, we must disclose that we represent and will continue to represent Evans Bank on certain matters unrelated to this matter. Our professional obligations as lawyers do not permit us to simultaneously represent clients whose interests directly diverge, where our professional judgment or zealous representation might be affected. The work we have done, and continue to do, for Evans Bank is unrelated to the work we are now being asked to undertake on behalf of the Town. After examining the situation, we have concluded that the representation of Evans Bank in other matters will not in any way impact our independent professional judgment on behalf of the Town in this or in any other matters, and that a disinterested lawyer examining the situation would draw the same conclusion. In order to confirm that you waive any conflict of interest that may arise as a result of our representation of the Town in connection with this matter and Evans Bank in unrelated matters, please sign and return a copy of this letter to me. We have requested a similar waiver from Evans Bank.

Please be aware that the firm represents many other municipalities, companies, and individuals. It is possible that during the time that we are representing you, some of our present or future clients will have matters which may be adverse to you. You agree that we may continue to represent or may undertake in the future to represent existing or new clients in any matter that is not substantially related to our work for you even if the interests of such clients in those other matters are directly adverse. We agree, however, that your prospective consent to conflicting representation contained in the preceding sentence shall not apply in any instance where, as a result of our representation of you, we have obtained proprietary or other confidential information of a nonpublic nature, that, if known to such other client, could be used in any such other matter by such client to your material disadvantage. You should know that, in similar engagement letters with many of our other clients, we have asked for similar agreements to

preserve our ability to represent you. Further, to the extent we request a specific waiver for a given matter consistent with this prospective waiver, such specific waiver may be issued and/or confirmed by either the Town Attorney or Town Supervisor.

To enable us to represent you effectively, you agree to cooperate fully with us and to provide promptly all information we believe to be relevant to our representation.

Fees. Our fees will be based on the amount of time spent on your behalf. Each lawyer and legal assistant has an hourly billing rate based generally on experience and special knowledge. The rate multiplied by the time expended on your behalf, measured in tenths of an hour, will be the basis for determining the fee. Time for partners will be billed at \$339 an hour. Time for associates will be billed at \$317 an hour. Time for paralegals is billed at \$152 per hour. John Alessi will be primarily responsible for the matter and he will use other attorneys and paralegals as he determines appropriate under the circumstances.

Costs. The firm typically incurs costs in connection with legal representation. These costs may include such matters as long distance telephone charges, special postage, delivery charges, telecopy and photocopy charges and related expenses, travel expenses, meals and use of other service providers, such as printers or experts. We separately bill for computerized legal research and related expenses. You also agree to pay the charges for copying documents for retention in our files, and for data hosting services. Except for specialized word processing services, we normally do not make a separate charge for secretarial work unless there is a situation that requires overtime staff work. At our option, we may forward third-party charges in excess of \$150 directly to you for payment.

You agree to pay our statements for services and other charges. Statements normally will be rendered monthly for work performed and expenses recorded on our books during the previous month. Payment is due within thirty (30) days of receipt of our statement. If any statement remains unpaid, we may suspend performing services for you until arrangements satisfactory to us have been made for payment of outstanding statements and the payment of future fees and expenses. If payment is overdue by more than 45 days, we will impose a late payment fee calculated at the rate of 1 ½ % per month on the outstanding amount, unless some other arrangement has been made. In the unlikely event that a dispute arises between us relating to our fees, you may have the right to arbitration of that dispute pursuant to Part 137 of the Rules of the Chief Administrator of the Courts, a copy of which will be provided to you upon request.

Termination of Services. You may terminate our representation at any time by notifying us. Your termination of our services will not affect your responsibility for payment of outstanding statements and accrued fees and expenses incurred before termination or incurred thereafter in connection with an orderly transition of the matters. If such termination occurs, your papers and property will be returned to you promptly upon receipt of payment for outstanding fees and costs. Our own files pertaining to the matter will be retained in accordance with the firm's records management policy and procedures. These firm files include, for example, firm administrative records, time and expense reports, personnel and staffing materials,

and credit and accounting records; and internal lawyers' work product such as drafts, notes, internal memoranda, and legal and factual research, including investigative reports, prepared by or for the internal use of lawyers.

We may withdraw from representation if you fail to fulfill your obligations under this agreement, including your obligation to pay our fees and expenses, or as permitted or required under any applicable standards of professional conduct or rules of court, or upon our reasonable written notice to you. We will take such steps as are reasonably practicable to protect your interest during any transition. We certainly anticipate that we will see this matter through to conclusion.

Conclusion of Representation; Disposition of Documents. Unless previously terminated, our representation in this matter will end when we send you our final statement for services rendered in the matter. During the course of our representation we will maintain a file of those documents necessary and material to the matter. Absent unusual circumstances we will provide you with copies of documents in our file at your request. If you provide us with documents, please make sure you retain the originals or copies. Our expectation is that we will not need to return to you documents you have provided to us. We will maintain our file for seven years after the matter has been concluded in accordance with the firm's records management policy and procedures. Absent specific reason to do so, we will not retain copies of documents produced to us by the other side, or by subpoena, and will not retain copies of documents you provided to us. After seven years the contents of your file will be destroyed, unless you ask us to return the file to you, or your matter fits into one of several exceptions. If you have policies that require us to use a different retention period, or any requirements that differ from our policies, please let us know and we will make appropriate arrangements. Otherwise, we will maintain our file as noted above.

If this matter requires us to maintain electronic documents in hosted storage, we will eliminate those services at the end of the matter, and delete the information on the database absent specific instruction to the contrary. If you request that we maintain the database in searchable form, you will be responsible for hosting fees.

Governing Law. This engagement letter, and all matters arising in connection with it, shall be governed by the law of the State of New York without regard to conflict of law principles. Please review this letter carefully and, if it meets with your approval, please sign the enclosed copy of this letter and return it to me so that we may begin work.

Please call me if you have any questions.

Very truly yours,



Charles W. Malcomb

Agreed and accepted:

Town of Pendleton

By: _____

Title: _____

Date: _____