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March 17, 2021

Mr. Jason Leifer
Town Supervisor
Town of Dryden
93 East Main Street
Dryden, New York 13053-9505

Re: Bond Counsel Services – Water Project

Dear Jason:

This letter sets forth the role we propose to serve and the responsibilities we propose to assume as bond counsel to the Town of Dryden (the "Town") in connection with the Town's Consolidated Water District improvement project (the "Project"). We understand the estimated cost of the Project is approximately \$3,022,000, which the Town may finance, in whole or in part, with proceeds of obligations issued from time to time to New York State Environmental Facilities Corporation ("EFC") and/or obligations sold to the bond market in a competitive sale.

Bond counsel is engaged as a recognized expert whose primary responsibility is to render an objective legal opinion with respect to the authorization and issuance of serial bonds ("Bonds") and bond anticipation notes ("Notes") by the Town to finance Project costs. As bond counsel, we will examine applicable law, prepare authorizing and operative documents, consult with the parties to the transaction prior to the issuance of the Bonds or Notes, review certified proceeding and undertake such additional duties as we deem necessary to render our legal opinion.

Subject to the completion of the proceedings to our satisfaction, we will render our opinion that:

1. the Bonds or Notes are valid and binding general obligations of the Town;
2. all taxable property in the territory of the Town is subject to ad valorem taxation without limitation as to rate or amount to pay the Bonds or Notes; and
3. the interest paid on the Bonds or Notes will be (i) excluded from gross income for federal income tax purposes, and (ii) exempt from New York State income taxes (subject to certain limitations which may be expressed in the opinion).

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Our opinion will be executed and delivered in written form on the date the Bonds or Notes are exchanged for their purchase price (the "Closing") and will be based on facts and law existing as of its date. Upon delivery of the opinion, our responsibilities as bond counsel will be concluded with respect to that particular financing; specifically, but without implied limitation, we do not undertake (unless separately engaged) to provide continuing advice to the Town or any other party concerning any actions necessary to assure that interest paid on the Bonds or Notes will continue to be excluded from gross income for federal income tax purposes.

In rendering our opinion, we will rely on the certified proceedings and other certifications of public officials and other persons furnished to us without undertaking to verify the same by independent investigation.

As bond counsel, we will not assume or undertake responsibility for the preparation of an official statement or any other disclosure document with respect to the Bonds or Notes, nor are we responsible for performing an independent investigation to determine the accuracy, completeness or sufficiency of any such document. However, if a disclosure document will be adopted or approved by the Town, our responsibility will include the preparation or review of any description therein of: (i) New York State and federal law pertinent to the validity of the Bonds or Notes; (ii) the terms of the Bonds or Notes; and (iii) our opinion.

We will bill the Town on a fixed fee basis for each financing transaction and our fee for a particular financing is payable upon Closing of the transaction. We will bill the Town on a monthly basis for services not relating to a specific financing transaction.

Our fee schedule for Town bond counsel services is as follows:

<u>Issue</u>	<u>Costs</u>
Serial Bonds	\$7,500 per issue.
Bond Anticipation Notes	\$2,500 per issue.
Authorizing resolutions, legal notices and related initial proceedings, including preparation and/or review of SEQRA materials	\$2,500

The fee schedule set forth above does not include services relating to the preparation or review of disclosure documents (other than the limited services described above) or attendance at Town meetings. We will bill for these services, and any other services

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requested by the Town that are not related to a specific Bond or Note closing, at the following hourly rates:

Firm Members	\$395/hour
Associates	\$250/hour
Legal Assistants	\$150/hour

Our firm does not bill for the time of our clerical support staff, such as word processing operators, supervisors, or secretaries. We would, however, expect to be reimbursed for our direct, out-of-pocket disbursements. These include long distance telephone charges, travel expenses, courier messenger services, telecopier and copy charges, fees charged by computer research services (Lexis and Westlaw) and other direct, out-of-pocket expenses. Bills detailing our disbursements and supporting documentation would be available upon request.

If, for any reason, a financing is not consummated or is completed without the rendition of our opinion as bond counsel, we will expect to be compensated at the hourly rates set forth above for time actually spent, plus out-of-pocket expenses.

Our engagement as bond counsel to the Town is also subject to the additional terms and conditions set forth in attached Terms of Representation.

If the foregoing terms are acceptable to the Town, please so indicate by signing and returning to me a copy of this letter.

Thank you for this opportunity to continue serving as the Town's bond counsel.

Very truly yours,

BOND, SCHOENECK & KING, PLLC



Paul W. Reichel

PWR/cma
Enclosure

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ACCEPTED AND APPROVED
TOWN OF DRYDEN, NEW YORK

By: _____

Date: _____

BOND, SCHOENECK & KING, PLLC
TERMS OF REPRESENTATION

These Terms of Representation, together with the accompanying engagement letter, constitute the agreement between Bond, Schoeneck & King, PLLC ("Bond" or "we") and the client or clients identified in that engagement letter (the "Client" or "you"), under which Bond will represent Client in the matter or matters described in the engagement letter.

Our Client. Our representation extends solely to Client, as identified in the accompanying engagement letter, and not to its constituents (including its officers, managers, members, directors, shareholders or employees) or to any affiliated or related entities, or their constituents. There are no third party beneficiaries of this agreement. Client understands that, unless appropriate written consents are obtained, it should not provide us with confidential information regarding any constituent or affiliated/related entity during the course of this representation (and doing so will not make the constituent or affiliate/related entity a client of Bond).

Our Services. The scope of our services is described in and strictly limited by the accompanying engagement letter. Any changes in scope must be confirmed in writing. Unless otherwise provided in the engagement letter, Bond is not serving as Client's general counsel nor is it responsible for determining whether Client has insurance coverage in connection with our representation, the amounts and limits of any such coverage, or notifying any insurance carrier of the existence of coverage, or our involvement in a matter.

When we provide you with our opinion regarding a matter, it will be based on our best professional judgment. However, that judgment is limited by the facts provided by you and known to us at that time, as well as the law as it then exists. It is expressly acknowledged by you that any such opinions shall not be considered by you as representations, promises or guarantees of results which might be obtainable, nor shall you consider any such opinions to be warranties or representations of a particular outcome or resolution of your matter.

Client Responsibilities. In order to ensure our ability to provide services to you, you agree to keep us informed of any relevant information or developments relating to your matter and to provide Bond with all pertinent information regarding the subject of our representation, or as otherwise reasonably requested by us. You also agree to cooperate fully, truthfully and timely with us, including making you, your employees or others available to us when necessary. You will keep us advised of how to contact you.

If, during the course of our representation of you, you affiliate with, acquire, are acquired by, or merge with another entity, you agree to provide us with sufficient notice to permit us to determine if that action gives rise to a conflict of interest with any of our other clients and, if so, agree that Bond may take any action that it believes is appropriate or necessary under the applicable Rules of Professional Conduct.

Fees and Expenses. Unless otherwise provided in the accompanying engagement letter, our billings with respect to this matter will be based on the time (in quarter hour increments) that our attorneys, paralegals, and other service professionals devote to it. The hourly rates for those attorneys, paralegals and other service professionals who will work on Client matters vary, with specific rates reflecting the knowledge, experience and expertise of each individual assigned, time constraints imposed by the circumstances, the complexities of the matter and other relevant factors. The currently applicable rates may be specified in the accompanying engagement letter. It is our practice to increase

our hourly rates from time to time, generally effective each October 1.

Our bills to Client, which will be on a monthly basis (unless otherwise agreed to in the accompanying engagement letter) and payable within 30 days, will also include any expenses (copying charges, fax charges, postage, messenger services, mileage, long distance telephone charges, computerized-research, e-discovery and other electronic data charges, etc.) incurred or advanced by us on Client's account or which are due to be paid on Client's account. These expenses may be incurred in the normal course without advance approval from Client. In-house charges (such as copying charges, fax charges, charges for processing, producing and/or storing e-discovery materials, etc.) will be billed at our standard charge rate. You agree that expenses incurred to third parties will either be forwarded to Client for direct payment or, if paid by our firm, billed to you at the rate charged by those third parties. If Client fails to make payment of our fees and disbursements as provided in this letter, consistent with our obligations to Client under the Rules of Professional Conduct, we may discontinue our representation of Client and/or take other appropriate action. Discontinuation of representation does not eliminate Client's responsibility for fees and expenses already incurred. In addition, we reserve the right to assess a monthly service charge of 2% per month on any accounts more than 30 days in arrears. In no event will the service charge be greater than that permitted by any applicable law. We also reserve the right to charge a service fee of no more than 2% for payment of fees and/or disbursements by credit card.

A Client may have insurance coverage that will apply to some or all of our fees and expenses. Regardless of the limits of that coverage (or its discontinuation), Client remains responsible to us for all billed fees and expenses.

We will bill Client for our time and expense in responding to subpoenas (or other judicial orders), auditor's letters or other proceedings, requests and requirements arising out of or related to our representation of Client in any matter.

If requested, we will, if possible, provide you with an estimate and/or budget for a matter. Such estimates/budgets, however, cannot be predicted with certainty and therefore are not binding unless we have expressly agreed to limit our fees accordingly.

If you disagree with any invoice, you must notify us of the nature of your dispute within 30 days of your receipt of that invoice. You agree that your failure to do so will result in that invoice becoming your final binding obligation.

While we make every effort to bill fairly and clearly, occasionally fee disagreements arise between attorneys and their clients. If there is any dispute regarding our fees, Client may have the right to arbitrate that dispute pursuant to 22 NYCRR part 137.

Disputes and Claims. Except to the extent required by 22 NYCRR part 137, any dispute or claim arising out of or in any way relating to the Firm's representation of you, including, but not limited to, any claim of tort, breach of fiduciary duty, legal malpractice, negligence or breach of contract shall be finally settled by confidential arbitration administered by the American

Arbitration Association under its Commercial Arbitration Rules, and judgment on the award may be entered in any court having jurisdiction thereof. The place of arbitration shall be in the city and state of the Bond office where the legal work was substantially performed. This agreement to confidential arbitration shall constitute an irrevocable waiver of each party's right to a trial by jury, but the arbitrators shall have the power to grant any remedy for money damages or equitable relief that would be available to such party in a dispute before a court of law in the jurisdiction where the arbitration is being held. The Statute of Limitations for any such disputes or claims shall be two years from when the dispute or claim first arose. You acknowledge that, before agreeing to these terms, you have had a full and fair opportunity to consult with independent counsel concerning these specific provisions.

Communications. We agree that during the course of this engagement each of us will communicate and/or otherwise make documents available electronically, including through e-mail and/or the use of cloud computing. Although the use of technology involves some risk that third parties may access confidential communications, we both understand and agree that the benefits of using this technology outweigh the risks of unintended disclosure. If there are specific communications that you wish sent only through encrypted and/or password protected (or other) means, you agree to advise us. You will make sure that any computer or device you use in communicating with us is private and secure, password protected and not accessible by a third party, as that could impact the attorney-client privilege.

In-Firm Privilege. Our firm has a General Counsel who provides legal advice to our lawyers and staff. If any of Bond's lawyers representing you communicate with Bond's General Counsel (or his or her designee, including outside counsel) regarding our firm's rights and obligations with respect to its representation of you, you agree that those are privileged and confidential communications of Bond and protected by the attorney-client privilege. You will not be billed for those communications.

Files. Either during or at the conclusion of our representation of Client in connection with this matter, at its request and provided outstanding fees and costs have been paid, we will return to Client its papers and property in our possession, reserving the right at any time to convert and return file materials in electronic format, at our discretion. Client may be charged reasonable costs associated with researching, retrieving, compiling, copying and/or delivering file contents in response to Client's request. Our internal records and documents related to this representation will be retained solely by us. These internal materials include firm administrative records, time and expense reports, accounting records and internal work product (including notes, drafts, internal memoranda, research, etc., prepared for the internal use of our lawyers). We retain the right to destroy or dispose of these internal materials after a reasonable period of time following the end of our representation of Client, without further notice to you. Unless we notify you differently, we generally will maintain Client materials of significance for a period of seven years following the end of the matter. Thereafter, you agree that we may destroy them without further notice to you.

Termination of Representation. You have the right to terminate our representation at any time for any reason. However, termination does not affect your responsibility for our fees and expenses. We may terminate our representation of Client in accordance with the applicable Rules of Professional Conduct. Reasons for which we may terminate our

representation of you include (but are not limited to): (1) nonpayment of our fees or expenses; (2) your failure or refusal to cooperate as needed; (3) your misrepresentation or failure to disclose material facts; (4) your refusal to accept our advice; (5) discovery of a conflict with another client of Bond; (6) your material breach of our engagement letter and/or these Terms; or (7) any other reason permitted or required under the applicable Rules of Professional Conduct. In the event that we terminate this engagement before completion, we will take such steps as are reasonably practicable to protect your interests in the matter, and you agree to cooperate in any action necessary for our withdrawal. We will be entitled to be paid for all services rendered and other costs or expenses incurred on your behalf through the date of withdrawal. If withdrawal is subject to approval by a court or arbitration panel, we will promptly request such permission, and your consent to withdrawal shall not be unreasonably withheld. Unless terminated earlier, our representation of Client will terminate upon completion of the services which we were retained to provide. Files will be returned pursuant to Section "8" above and consistent with the Rules of Professional Conduct.

Governing Law and Venue. The rights and obligations of you and Bond arising under or in connection with our representation of you on this matter will be governed by the laws of the state of the Bond office where the legal work was substantially performed without regard to conflicts of laws principles. In the event that any part or parts of these Terms and Conditions of Representation are deemed to be unlawful, all other provisions remain in full force and effect.

Waiver of Conflicts. During the term of this engagement, we agree that we will not accept representation of another client to pursue interests that are directly adverse to your interests unless and until we have made full disclosure to you of all the relevant facts, circumstances and implications of our undertaking the two representations, and you have consented to our representation of the other client and agreed to waive any existing conflict. You agree, however, that you will not unreasonably withhold your consent and waiver of any conflict if we can confirm to you in good faith that the following criteria are met: (i) there is no substantial relationship between any matter in which we are representing or have represented you and the matter for the other client; (ii) our representation of the other client will not implicate any confidential information we have received from you; (iii) our effective representation of you and the discharge of our professional responsibilities to you will not be prejudiced by our representation of the other client; and (iv) the other client has also consented in writing based on our full disclosure of the relevant facts, circumstances and implications of our undertaking the two representations.

Acceptance of Terms of Representation. Your agreement to this engagement constitutes your knowing acceptance of the foregoing Terms of Representation, and an acknowledgement that you have had the right to consult with independent counsel regarding all of them. If any of them are unacceptable to you, please advise us now so that we can resolve any differences and proceed with a clear, complete and consistent understanding of our relationship.