
Municipal
Solutions, Inc.
Municipal Financial Advisors

Jason Leifer, Supervisor
Town of Dryden
93 East Main Street
Dryden, New York 13053

May 11, 2022

Dear Mr. Leifer:

Municipal Solutions, Inc. is submitting this amendment to our original contract dated March 18, 2021 in connection with the Town of Dryden's broadband project for your consideration and approval. This amendment adds services for the Community Development Block Grant application.

Municipal Solutions, Inc. is an equal opportunity employer and in compliance with the Housing and Community Development Act of 1968, as amended, 24CFR Part 135.38 shall engage in a good faith effort to involve small businesses, minority-owned firms, women's and/or disabled business enterprises as sub-contractors to the extent practicable.

Municipal Solutions, Inc. shall allow the Grant Recipient (the Town), NYS Homes and Community Renewal, the Comptroller General of the United State and/or any of their duly authorized representatives access to any documentation including papers, financial records and reports that are directly pertinent to this project for the purpose of making audits, examinations, excerpts or transcripts.

All parties to this contract shall be bound by and comply with all applicable Federal, State, and local laws and regulations, including but not limited to 24 CFR Parts 85 and 570 of the Housing and Community Development Act of 1968, as amended.

Per the Municipal Securities Rulemaking Board's (MSRB) Rule G-17, we must have a current contract in place prior to work commencing. These new rules apply to all municipal financial advisors throughout the United States of America as of July 1, 2014. This contract must state fair market value rates and fees and be accepted by both the municipality and Municipal Solutions, Inc. We must, under Rule G-17, show that we've acted in good faith with the issuer and to ensure the accuracy of representations in our contracts regarding the agreed upon scope and fees, whether the contract be a Preliminary Authorization to Proceed or a Full Contract.

The MSRB enforces the rules and regulations set by the Securities and Exchange Commission (SEC). Municipal Solutions, Inc. is registered as a recognized municipal advisor with the SEC (MS ID #867-00383) and the MSRB (MS ID #K0173) as mandated by the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act).

Municipal Solutions, Inc. is a Member of the National Association of Municipal Advisors

62 Main Street, LeRoy, NY 14482 Phone: 585-768-2136 Fax: 585-394-4092
2528 State Route 21, Canandaigua, NY 14424 Phone: 585-394-4090 Fax: 585-394-4092
www.municipalsolution.com

This proposal is divided into the following parts:

- I. Preparation of a Community Development Block Grant Application
- II. Community Development Block Grant Fiscal Services
- III. Conflicts of Interest and Other Required Disclosures
- IV. Miscellaneous

I. Preparation of a Community Development Block Grant Application

The following items will be completed under this portion of the contract:

- 1) Preparation and submission of a Community Development Block Grant (CDBG) Application through the Consolidated Funding Application (CFA) process.

The CDBG application will be billed hourly at the current hourly rate of \$155 with minimum fee of \$5,900 plus expenses.

II. Community Development Block Grant Fiscal Services

- 1) Assist the Town in the preparation of information that may be used for public or internal discussions or presentation to the funding agencies.
- 2) Research, meetings, and/or conference calls necessary to obtain any information not provided by the municipality, including expenses.

CDBG Fiscal Services will be billed hourly at the current hourly rate of \$155.

If there are services performed beyond the scope of the project, or if the project ceases for any reason, an invoice for work completed will be due at the current hourly rate of plus expenses.

The fees may be adjusted annually based on the U.S. Bureau of Labor and Statistics Consumer Price Index – All Urban Consumers.

Invoices will be submitted periodically. Payment is expected within 45 days of the invoice date.

III. Conflicts of Interest and Other Required Disclosures

Rule G-42 of the Municipal Securities Rulemaking Board requires us to provide you with certain disclosures regarding conflicts of interest and other required disclosures (the “Disclosures”). Those Disclosures are attached hereto in Appendix A. We further covenant and agree to provide to the Town updated Disclosures as required by Municipal Securities Rulemaking Board Rule G-42 to the extent any arise after the date of this letter. The Disclosures, and each delivery thereof, as provided from time to time, shall be incorporated by reference as of the date thereof into this letter to the same extent as if set forth herein.

We at Municipal Solutions, Inc. operate with a core value of honesty and integrity in all aspects of our business. We pride ourselves in our competent and friendly staff and our services go above and beyond what our contracts call for. We do our very best to keep costs down and pass any savings back to our

clients. If you have any concerns that are not addressed in this contract, we would be happy to discuss them with you at your convenience.

IV. Miscellaneous

Upon acceptance of this proposal, please execute and return one copy to our LeRoy office located at 62 Main Street, LeRoy, New York 14482 following the next Board meeting. The terms set forth above are subject to change if we do not receive a signed contract within 30 days. This contract will remain in effect until terminated by either party. You have the right to terminate this contract for any reason at any time.

We agree to promptly amend or supplement this letter to reflect any material changes or additions to the agreement evidenced by this letter.

If you should have any questions concerning this proposal, please do not hesitate to contact me. We look forward to our continued working relationship with the Town.

Sincerely,

Jeffrey R. Smith, President
Certified Independent Professional Municipal Advisor

JRS/amp

**Town of Dryden, New York
Amendment No. 1 to Contract Dated March 18, 2021
Broadband Project
Accepted by:**

Signature: _____

Name/Title: _____

Date: _____

APPENDIX A

TOWN OF DRYDEN, NEW YORK Amendment No. 1 to Contract Dated March 18, 2021 Broadband Project

DISCLOSURE OF CONFLICTS OF INTEREST

Municipal Securities Rulemaking Board Rule G-42 requires us, as your municipal advisor, to provide written disclosure to you about material conflicts of interest.

We have determined, after exercising reasonable diligence, that we have no known material conflicts of interest that would impair our ability to provide advice to the Town in accordance with our fiduciary duty to municipal entity clients. The attached paragraphs outline areas of potential conflicts of interest we have reviewed to make this no material conflict of interest determination.

FORMS OF COMPENSATION AS POTENTIAL CONFLICTS

The forms of compensation for municipal advisors vary according to the nature of the engagement and requirements of the client, among other factors. Various forms of compensation present actual or potential conflicts of interest because they may create an incentive for an advisor to recommend one course of action over another if it is more beneficial to the advisor to do so. This document discusses various forms of compensation and the timing of payments to the advisor.

Fixed fee - Under a fixed fee form of compensation, the municipal advisor is paid a fixed amount established at the outset of the transaction. The amount is usually based upon an analysis by the client and the advisor of, among other things, the expected duration and complexity of the transaction and the agreed-upon scope of work that the advisor will perform. This form of compensation presents a potential conflict of interest because, if the transaction requires more work than originally contemplated, the advisor may suffer a loss. Thus, the advisor may recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives. There may be additional conflicts of interest if the municipal advisor's fee is contingent upon the successful completion of a financing, as described below.

Hourly fee - Under an hourly fee form of compensation, the municipal advisor is paid an amount equal to the number of hours worked by the advisor times an agreed-upon hourly billing rate. This form of compensation presents a potential conflict of interest if the client and the advisor do not agree on a reasonable maximum amount at the outset of the engagement, because the advisor does not have a financial incentive to recommend alternatives that would result in fewer hours worked. In some cases, an hourly fee may be applied against a retainer (*e.g.*, a retainer payable monthly), in which case it is payable whether or not a financing closes. Alternatively, it may be contingent upon the successful completion of a financing, in which case there may be additional conflicts of interest, as described below.

Fee contingent upon the completion of a financing or other transaction - Under a contingent fee form of compensation, payment of an advisor's fee is dependent upon the successful completion of a financing or other transaction. Although this form of compensation may be customary for the client, it presents a conflict because the advisor may have an incentive to recommend unnecessary financings or financings that are disadvantageous to the client. For example, when facts or circumstances arise that could cause the financing or other transaction to be delayed or fail to close, an advisor may have an incentive to discourage a full consideration of such facts and circumstances, or to discourage consideration of alternatives that may result in the cancellation of the financing or other transaction.

Fee paid under a retainer agreement - Under a retainer agreement, fees are paid to a municipal advisor periodically (*e.g.*, monthly) and are not contingent upon the completion of a financing or other transaction. Fees paid under a retainer agreement may be calculated on a fixed fee basis (*e.g.*, a fixed fee per month regardless of the number of hours worked) or an hourly basis (*e.g.*, a minimum monthly payment, with additional amounts payable if a certain number of hours worked is exceeded). A retainer agreement does not present the conflicts associated with a contingent fee arrangement (described above).

Fee based upon principal - Under this form of compensation, the municipal advisor's fee is based upon a percentage of the principal amount of an issue of securities (*e.g.*, bonds). This form of compensation presents a conflict of interest because the advisor may have an incentive to advise the client to increase the size of the securities issue for the purpose of increasing the advisor's compensation.

From time to time, Municipal Solutions, Inc. does provide municipal advisory assistance to surrounding municipalities including, but not limited to, the Village of Dryden and the Town of Lansing. Municipal Solutions, Inc. is not aware of any material conflicts of interest that this relationship would bring to our fiduciary responsibility to the Town as of the date of this Agreement. If Municipal Solutions, Inc. becomes aware of any conflict of interest that could interfere with our fiduciary obligations to the Town, Municipal Solutions, Inc. will notify the Town that a conflict has been identified and we will meet with the Town to discuss the impacts of the conflict and possible methods to resolve the identified conflict areas.

RELIANCE ON OUTSIDE INFORMATION

In formulating our recommendations as it comes to the issuance of municipal securities, we often have to rely on information provided by outside sources such as engineering firms, architectural firms, CPAs, attorneys, and other professional entities, as well as the municipality itself. We must rely on the expertise and professional knowledge of these entities in that the information they are providing is reasonable and correct. As part of our fiduciary duty to our clients, we will do our best to make sure this is the case. If we feel that the information provided to us is inaccurate, inconsistent or incomplete, we will ensure to tell you before providing any recommendations based on the material.

LEGAL OR DISCIPLINARY EVENTS

Municipal Solutions, Inc. is registered as a “municipal advisor” pursuant to Section 15B of the Securities Exchange Act and rules and regulations adopted by the United States Securities and Exchange Commission (“SEC”) and the Municipal Securities Rulemaking Board (“MSRB”). As part of this registration, we are required to disclose to the SEC information regarding criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation involving Municipal Solutions, Inc. Pursuant to MSRB Rule G-42, Municipal Solutions, Inc. is required to disclose any legal or disciplinary event that is material to the Town’s evaluation of Municipal Solutions, Inc. or the integrity of its management or advisory personnel.

We have determined that no such event exists.

Copies of Municipal Solutions, Inc. filings with the United States Securities and Exchange Commission can currently be found by accessing the SEC’s EDGAR Company Search Page which is currently available at <https://www.sec.gov/edgar/searchedgar/companysearch.html> and searching for either Municipal Solutions, Inc. or for our CIK number which is 0001612999.

The MSRB has made available on its website (www.msrb.org) a municipal advisory client brochure that describes the protections that may be provided by MSRB rules and how to file a complaint with the appropriate regulatory authority.