

March 15, 2022

Douglas Bowen, Town Supervisor
Town of Ripley
Town Hall, 14 North State Street
P.O. Box 2
Ripley, New York 14775

**Re: Proposal to Provide Bond Counsel Services to the
Town of Ripley, Chautauqua County, New York**

To the Members of the Town Board:

Harris Beach PLLC is pleased to submit this proposal to serve as bond counsel to the Town of Ripley, Chautauqua County, New York (the "Town") in connection with its proposed bond financing for the acquisition of one wheeled excavator (the "Excavator" or the "Matter"). It is our understanding that the Town has not yet taken delivery of the Excavator and that therefore, to date, no prior financings (bond anticipation notes) relating to this project have yet occurred.

It is our understanding that the maximum cost of the Excavator is \$300,000 and that it is expected that this cost will be financed by (i) the issuance by the Town of a bond in an amount not to exceed \$300,000, to be purchased by the United States Department of Agriculture, Office of Rural Development ("Rural Development"), which bond will be in the form of a single, statutory installment bond. It is also possible that a portion of the cost of the Excavator will be financed with a grant to be received from Rural Development. If such grant is received, this would reduce the amount of the bond accordingly. It is not anticipated that the Town will need to issue a bond anticipation note in advance of the Rural Development loan. This proposal is based upon these assumptions, so if there are any changes from this please let me know, as it may affect our fee quotes.

This letter sets forth the terms of engagement under which Harris Beach PLLC agrees to serve as bond counsel to the Town, including a summary of the scope of services we would provide as Bond Counsel, the fee schedules for these services and terms of payment.

Experience

Harris Beach PLLC is a nationally recognized bond "Red Book" listed bond counsel firm. We serve as bond counsel to municipalities, school districts, fire districts and state and local agencies throughout New York State. Our Public Finance Department has experience with all types of general obligation bond financings and has worked with most of the underwriters and fiscal advisors who do business with New York State municipalities and school districts.

Services

Resolutions and Associated Proceedings. As Bond Counsel to the Town, we will act as a recognized independent counsel with respect to the authorization of the obligations being issued, and undertake all legal services associated with that responsibility. In particular, we will prepare all resolutions to be adopted by the Board of the Town to authorize the bond and/or notes to be issued, and all associated legal notices and certificates. We would also review associated proceedings undertaken by the Town in connection with the Matter. We will work closely with the Town in structuring the financing, provide counsel regarding municipal finance questions raised in connection with the financed projects and advise the Town as to alternatives available under any particular scenario. Set forth below is a description of the scope of services we would provide for the financing of the Matter through Rural Development.

Please note that for purposes of this proposal we have assumed that there will be only one bond resolution adopted for the Matter and the fee quotes set forth herein are based upon this assumption. In the event the Town needs to amend the bond resolution due to changes in the scope of the Matter, or an increase in the maximum cost thereof or the amount needed to be financed, this proposal letter may have to be supplemented or amended to cover such additional services.

Statutory Installment Bond. In connection with the statutory installment bond to be sold to the Rural Development, we expect to be primarily responsible for the preparation of all the documentation customarily entered into for this type of transaction, including the certificate of determination, the form of bond, the tax and arbitrage certificate, all other closing certificates and all documents required in accordance with Rural Development's policies and requirements. We will render our preliminary opinion letter to Rural Development regarding the validity and tax-exempt status of the bond and documents to be entered into in connection with the financings. We would also file the necessary information return with the Internal Revenue Service. Finally, we would render our approving bond counsel opinion regarding the validity, enforceability and tax exempt status of the bond.

Tax Diligence and Advice. In connection with the contemplated issuance of the bond for the Excavator, we will conduct a tax analysis to confirm that the bond is eligible to be issued on a tax-exempt basis. Such tax review will also take into account the expected use of the Excavator, as well as the other sources of funds available to pay a portion of the project costs.

Following the issuance of the bond for the Excavator, and so long as such indebtedness remains outstanding, we would counsel the Town, as needed, with respect to its ongoing obligations to comply with the Federal tax law requirements applicable to tax-exempt obligations.

Should you request our assistance with respect to another matter, the scope of that engagement, the services we will provide, and any other relevant information will be the subject of a separate written acknowledgment (which may be communicated by email) by the Firm and the Town that relates specifically to such other matter, but which may incorporate the other terms of this letter of engagement by reference.

Except as we may otherwise both agree in writing, you agree that we may disclose the fact of our representation of you, including in materials that the Firm uses to describe its practices and expertise.

Firm Personnel; Principal Contact

Jeff Storch will be responsible for the supervision of the Matter, but the Town is engaging the Firm as a whole and not any individual attorney. He can be reached at (212) 912-3504; jstorch@harrisbeach.com. As necessary or appropriate, the Firm will draw upon the talents and experience of other Firm attorneys, professionals, and staff in providing services relating to the Matter.

Fees and Charges

Set forth below is the proposed schedule for fees we would charge the Town for bond counsel services.

Resolution and Associated Proceedings. For the preparation of the bond resolution and related notices for the authorization of the improvements as included in the Matter, our fee would be \$850.

Statutory Installment Bond issued to Rural Development. For a statutory installment bond in the principal amount of up to \$300,000 issued to Rural Development, we would charge a fee not to exceed \$3,850 plus disbursements, as discussed below.

Disbursements. Disbursements for direct out-of-pocket costs, such as long distance telephone calls, photocopying and facsimile charges, postage and courier charges, and travel costs, if any, will be billed to the Town in addition to the fees for services rendered. For the contemplated bond transaction, we estimate the disbursements would not exceed \$150 and we agree not to charge the Town for disbursements in excess of this amount.

Not to Exceed Fee Amount: Based on the above fee and disbursement schedules, our fees and disbursements for a \$300,000 statutory installment bond to be issued to Rural Development would not exceed the following amounts:

Preparation of Bond Resolution	\$ 850
\$300,000 Statutory Installment Bond	\$3,850
Disbursements	\$ 150
Total Fees and Disbursements will not exceed	\$4,850

In the event a dispute arises between the Town and the Firm regarding fees, the Town may have the right to arbitrate that dispute pursuant to Part 137 of the Rules of the Chief Administrator of the Courts, a copy of which will be provided to the Town upon request.

Should the Town ever issue a litigation hold to the Firm for a matter unrelated to the Firm (*e.g.*, due to a subpoena or litigation/threatened litigation in which the Firm is not a party or potential party), the Town shall reimburse the Firm for its reasonable costs expended in complying with such litigation hold.

The above fee quote is based upon our understanding of the Excavator being financed and the Town's current needs. In the event that there is a change in circumstances which warrants significantly greater bond counsel services than which are normally required in connection with the type of transactions outlined above, we would contact you to arrange for an appropriate adjustment in our bond counsel fee, in an amount to be agreed upon with the Town.

Billing and Collection Information

Our fee for each financing is normally billed after the closing of each transaction. We customarily do not submit an invoice for services until that time, unless there is a substantial delay in completing the financing or the financing is not completed. If a financing is not completed, through no fault of our own, we would bill the Town for the amount of billable hours devoted to such financing up to the date we are informed that the Town is not proceeding with the financing based upon our standard applicable hourly rates, providing that in each case our fee would not exceed 80% the applicable fee set forth above.

Client Cooperation

By engaging us to serve as Bond Counsel, the Town agrees to cooperate fully with us and to provide promptly all information known or available to you relevant to our representation. The Town also agrees to pay in a timely manner our statements for services and expenses as provided above.

Conclusion of Representation; Disposition of Client Documents

Unless previously terminated, our representation with respect to the Matter will terminate upon the Firm sending to the Town a final statement for services rendered in connection with the Matter. Following such termination, any otherwise nonpublic information you have supplied to us that is retained by us will be kept confidential in accordance with applicable rules of professional conduct. At your request, the Firm will return the Town's papers and property promptly after receipt of payment for any outstanding fees and costs. If you do not make such a request within ninety (90) days following such termination, you agree and understand that any materials left with the Firm after the engagement ends may be retained or destroyed at our discretion. You should understand that "materials" include paper files, as well as information in other storage media, including voicemail, email, printer files, copier files, video files, and other formats. The Firm reserves the right to make, at our expense, copies of all documents generated or received by us in the course of our representation. The Firm's files pertaining to the Matter will be retained by the Firm. These Firm files include, for example, Firm administrative records; internal lawyers' work product, such as drafts, notes, and internal memoranda; and legal and factual research, including investigative reports, prepared by or for the internal use of lawyers. We will retain all remaining documents for a certain period of time, but reserve the right for various reasons, including the minimization of unnecessary storage expenses, to destroy or otherwise dispose of them within a reasonable time after the termination of the engagement.

Termination of Engagement

Either the Town or Harris Beach may terminate this Engagement at any time for any reason by written notice, subject, on our part, to the rules of professional responsibility. No such termination, however, will relieve the Town of the obligation to pay the legal fees owed to Harris Beach for services performed and other charges owed to us through the date of termination. After the completion of our services on the Town's behalf, changes may occur in applicable laws or regulations that could have an impact upon the Town's future rights and liabilities. Unless the Town engages Harris Beach after completion of the Engagement to provide additional advice on issues arising from the Engagement or related matters, Harris Beach has no continuing obligation to advise the Town with respect to future legal developments.

Communication with the Town

Unless the Town directs otherwise, the Firm will use unencrypted e-mail as the primary means of communication with the Town, and the Town shall inform the Firm of which e-mail address(es) the Firm should use for such communication. The Firm may also use cellular telephones (including smart phones) and facsimile machines to communicate with the Town. Texting is not a preferred method of communication, but may be used on a limited basis to communicate non-sensitive information to the Town. The Firm will take reasonable steps to protect the confidentiality of Firm-Client communications, but, unless applicable law provides otherwise, the Firm will not be responsible for disclosures of the Town's confidential information occurring from the use of such communication technologies. The Town agrees to

notify the Firm if Client has any requests or requirements regarding the Firm's methods of communication with Client that differ from the foregoing.

Possible Conflicts

Conflicts of interest will be handled as required by applicable rules of professional conduct. Unless otherwise agreed, for the purpose of determining whether a conflict of interest exists, it is only the Town that the Firm represents, and not any of its Affiliates. The Town agrees not to give the Firm any confidential information regarding any Affiliate unless: (a) that Affiliate has separately engaged the Firm to perform services on that Affiliate's behalf; or (b) such information is essential to the engagement set forth herein. While the Firm recognizes that to act adversely to any Affiliate could jeopardize a long-term relationship with the Town, which the Firm does not wish to do, for conflict of interest purposes the Firm reserves the right to represent another client with interests adverse to any Affiliate that is not itself a Firm client without obtaining any consent from the Town or the Town's Affiliates.

The Firm maintains a Risk Management Committee that acts as in-house counsel to its attorneys and will, on occasion, retain outside counsel when an attorney handling a client matter may have a concern on a matter of professional responsibility. To the extent the Firm is addressing its duties, obligations, or responsibilities to the Town in those consultations, it is possible that a conflict of interest might be deemed to exist as between Firm lawyers or the Firm and the Town. The Town agrees that these consultations are protected from disclosure by the Firm's attorney-client privilege and that the Town will not seek to discover or inquire into them. Of course, nothing in the foregoing shall diminish or otherwise affect the Firm's obligation to keep Client informed of material developments in the Firm's representation of the Town, including any conclusions arising out of such consultations to the extent that they affect the Town's interests.

Please contact me directly with any questions regarding this engagement letter. Otherwise, if this proposal is acceptable, please so indicate by returning a countersigned copy of this engagement. Consistent with its policy, the Firm reserves the right to delay commencement of work on this Matter until the Town has signed and returned this engagement letter to.

Client Responsibilities

The Town agrees to cooperate fully with us and to provide promptly all information known or available to you relevant to our representation. The Town also agrees to pay in a timely manner our statements for services and expenses as provided above.

Thank you again for considering Harris Beach to serve as bond counsel to the Town. We look forward to working with you and appreciate the opportunity to represent the Town as bond counsel. If you find the terms of this Engagement acceptable, please sign a copy of this letter signed and return it to the attention of Marlena Thornton. Please call me with any questions regarding the foregoing.

Very truly yours,

A handwritten signature in dark ink, reading "Jeff Storch", is written over a light blue rectangular background.

Jeffrey E. Storch

JES:mrt

cc: Joe Calimeri, Esq.
Tad Wright, Esq.

Agreed to and accepted this
____ day of _____, 2022

TOWN OF RIPLEY

By: _____
Name: _____
Title: _____