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October 7, 2026

Via E-Mail

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

Dear Joel:

Re: Advise Town Board and Planning Board on rezoning application

On behalf of Hodgson Russ I want to thank you for choosing the firm to represent Town of Pendleton. This letter, along with the attached Standard Terms of Engagement, sets forth the firm's customary procedures and expectations in order to clarify our mutual responsibilities.

Scope of the Engagement. The scope of our initial engagement will be to advise Town Board and Planning Board on the rezoning application of Regency Builders, LLC. Unless specifically requested our engagement does not include a review of your insurance policies, or advice concerning whether this matter is covered by any insurance you may have. 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 and Costs. Our fees will be based primarily 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 initial basis for determining the fee. My time is billed at \$575 an hour. Our billing rates are adjusted from time to time.

Litigation Hold. We are required to advise you concerning your obligation to identify and preserve information potentially relevant to this matter. The duty to preserve potentially relevant information is broad and courts have become increasingly exacting in applying existing and new standards that require the preservation of both paper documents and electronically-stored information ("ESI"). The obligation applies not only to paper documents, but also to ESI, including but not limited to, e-mail, word processing documents, spreadsheets, databases, calendars, voicemail, Internet usage files and network access information. Some courts have imposed sanctions in cases where a party has failed to comply with these standards. It is important that you document the steps taken to meet this obligation, including retaining copies of communications to your employees and IT professionals concerning preservation of

documents. Please contact me with any questions or concerns about this obligation or if you need assistance in complying with the obligation.

Electronic Communications. It is our practice to obtain your consent before we send you certain electronic communications. These electronic communications include, among others, announcements, briefings on legal developments, and invitations to seminars and other events. In connection with your engagement of the firm to render legal services, you consent to our sending you these electronic communications. You may withdraw your consent (or update your profile information) at any time by notifying us at info@hodgsonruss.com. If you withdraw your consent, we will stop sending you this type of electronics communications. We will, however, continue to send you electronic communications that are directly related to the matter for which we have been retained.

Privacy Policy and Governing Law. During the course of this engagement, the firm may collect certain personal information relating to the services contemplated by this letter. 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 me. 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, unless any applicable privacy or data security law provides otherwise.

Please carefully review this letter, the firm's Privacy Policy, and our Standard Terms of Engagement. If these documents meet 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.

Once again, we are pleased to have this opportunity to work with you. Please call me if you have any questions or comments during the course of our representation.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'C. Malcomb'.

Charles W. Malcomb

ACCEPTED AND AGREED TO:

Town of Pendleton

By:

Joel Maerten, Town Supervisor

Date: _____

Hodgson Russ LLP
Standard Terms of Engagement
(Litigation - Entity)

Understanding. Hodgson Russ LLP (the “firm”) is pleased to have the opportunity to serve you, and we thank you for that opportunity. We believe that our relationship will be stronger and smoother if we establish at its outset, and maintain, a mutual understanding about the terms of our retention, our charges and their payment. Thus, these Standard Terms of Engagement (“Terms”), and the retention letter which accompanies it, explains how we work, our obligations to you, your obligations to us, what we do, how we will charge for our work, and related matters of importance. Unless the retention letter relating to this matter specifically alters the arrangements stated below, these Terms of this Supplementary Statement will apply to the engagement covered by the retention letter. These Terms will also apply to all future matters in which we represent you, unless expressly changed in a subsequent retention letter. These Terms also may be modified only if both of us agree in writing to change them and, if they conflict with any proposed alternative terms or policy guidelines that you send us, these Terms shall be controlling unless expressly agreed to the contrary.

Scope of Advice. Unless otherwise agreed upon in writing, this engagement will be strictly limited to providing legal services. You are not relying on us for, and we are not providing you with, general business advice, including, but not limited to, investment advice, appraisal services, and accounting advice. Nor will we provide advice concerning the character or credit of any persons with whom you may be dealing, or any advice in connection with existing insurance coverage, the desirability of obtaining any kind of insurance coverage,

notification of insurers as to any claim or threatened claim, or the adequacy or timeliness of such notice. Moreover, any opinions that we express about legal questions you have asked or the outcome of your legal matters are expressions of our best professional judgment, which are necessarily limited by our knowledge of the facts and are based on the law in effect at the time expressed. We do not guarantee any particular outcome.

Client Cooperation and Communication.

To enable us to represent you effectively, we will need to collaborate, and as part of that collaboration you agree to cooperate fully with us, and to provide promptly all information we believe to be relevant to our representation. In order for us to assist you effectively and efficiently, we also will expect that you provide us with the factual information you have relating to the subject matter of this engagement, and that you will make any appropriate business or technical decisions. We believe you should be actively involved in the strategy and management of your legal affairs and our goal is to encourage candid and frequent communication between us. We will consult with you at appropriate times as the engagement progresses. Ordinarily, such consultations are conducted in person or by telephone; but, if you desire that we communicate in writing in a particular instance, please let us know. In addition, we may on occasion choose to communicate with you in writing.

Work Assignments. The attorney with whom you will primarily deal may assign portions of your work to other firm lawyers, paraprofessionals, law clerks and support staff. The responsible attorney will continue

to be responsible to you for the entire assignment, however, and will be available to discuss the use of other personnel with you upon request. Should you have any concerns with respect to the staffing of your matter, please bring them to the attention of the responsible attorney immediately.

In-House Attorney-Client Privilege. We may have the need from time to time to seek legal advice about our duties under rules of professional conduct that apply to lawyers. For example, we might have conflict of interest issues that arise out of a dispute between us and a client over the handling of a matter. Historically, we have sought advice on such issues from our in-house General Counsel, who is a member of the firm, knowledgeable about the rules of professional conduct and responsible within our firm for providing such advice. If we consulted with independent counsel outside of the firm, the resulting communications would be protected from disclosure by the attorney-client privilege, and we believe that similar internal communications are also protected. Since it is important to you and us that we promptly obtain whatever legal advice we need to follow the rules of professional conduct, that we obtain such advice from in-house counsel without the delay of having to engage outside counsel, and that you not incur the disruption and expense associated with our potentially unnecessary withdrawal from representing you in order to seek such advice, you consent to professionals at our firm consulting with in-house General Counsel on an attorney-client privileged basis with respect to any issues that arise out of our engagement, including any dispute between you and us over the handling of any matter.

Termination of Representation. Generally, our representation of you on this matter will conclude when we tender our last invoice for

services. Typically, we will designate that last invoice as a final bill for the matter, but our failure to make such a designation will not alter the time that the representation will be deemed terminated. We will be happy to re-engage should further services be necessary. Both you and we have the right at any time to terminate the attorney-client relationship. If you decide to terminate the relationship, you must notify us immediately of your decision in writing. Your termination of our representation does not eliminate your responsibility to pay for work performed prior to termination.

If we determine that we are no longer able to represent you, we will abide by the applicable rules of professional conduct regarding the withdrawal of representation. Please keep in mind that we may withdraw from representation for good cause and on reasonable notice to you. Good cause includes, but is not limited to: (1) your failure to cooperate with us as provided above; (2) your failure to pay any invoice when due, or to replenish a retainer as agreed; and (3) any fact or circumstance that would render our continuing representation unlawful or unethical. Any withdrawal by us from representing you may be subject to approval from any court in which we are appearing on your behalf.

Travel. We generally record the time spent traveling while performing work in furtherance of the client's engagement. Time spent travelling on behalf of one client while working on a matter for another client, will be billed to the client for whom work is conducted; we do not double-bill time. We book air travel at coach rates unless otherwise previously approved by the client or unless the air travel is transoceanic or overnight, in which case we generally book business or comparable class.

Billing. We render our bills on a monthly basis. We expect our fees to be paid within 15 days, and we regard them as past due 30 days after the invoices are rendered. If payment is overdue by more than 90 days, we reserve the right to impose a late payment fee calculated at the rate of 9% *per annum* on the outstanding amount, unless some other arrangement has been made. If you have any questions about our bills, please call us as soon as you receive your bill. If we do not hear from you within 15 days of the date of the bill, we will assume that you have seen it and find it acceptable. In the unlikely event that we are not able to resolve a fee dispute with you, the dispute may be submitted to arbitration in accordance with 22 NYCRR Part 137 (see 22 NYCRR §1215.1[b][3]). We also will provide a copy of that regulation to you, upon request.

The firm offers many ways to pay bills. You can choose to pay by check or wire. In the alternative, if you wish to pay by credit card or eCheck, please visit www.hodgsonruss.com, scroll to the bottom of the page and click "Online Payment." If you wish to pay by ACH, please forward an email addressed directly to accountsreceivable@hodgsonruss.com and reference the details of your payment. We will not change any wire or ACH instructions without calling you directly.

Unless otherwise stated in the engagement letter, at this time we have made no commitment to you concerning the maximum fees and costs that will be necessary to resolve or complete this matter. Any estimate of fees and costs that we may have discussed represents only an estimate, not a promise or guaranty. It is also expressly understood that payment of the firm's fees and costs is in no way contingent on the ultimate outcome of the matter.

Costs. Disbursements are expenses which we incur on your behalf, and which we then pass on to you on our invoice for services. For example, your bill may show disbursements for large document copying, filing fees, and courier charges, such as Federal Express or local messenger service, which may be appropriate in handling your work. You agree to pay these reasonable costs that we incur on your behalf.

Retainer Payment. The firm may require an advance payment prior to starting work. Unless otherwise agreed, all advance payments are advances for attorneys' fees and do not constitute advance payment of costs and expenses. The amount of this advance payment does not represent our estimate of the total charges which may be incurred, but only a partial advance payment. The firm reserves the right, as a condition to providing further services, to require an advance payment, if none has previously been provided, and/or a replenishment of any advance payment. Any charge for services or expenditures not covered by the advance payment is due and payable directly by you upon receipt of each monthly statement. At the conclusion of the representation, any portion of any advance payment which has not been used to pay for services rendered will be returned.

Litigation matters may proceed to trial or hearing. Preparing and conducting trials or hearings is often time consuming and expensive. Thus, if the matter appears likely headed for trial, we may require an additional advance payment prior to beginning hearing/trial preparation. If you fail to pay this additional advance payment within 15 days after it is requested, you agree that we have the right to discontinue our representation.

Delinquent Accounts. Should your account become delinquent, you agree that we may

withdraw from representing you. We also have the right and ability under those circumstances to commence a legal proceeding to collect the balance owing. These collection procedures have been established in fairness to the very high percentage of the firm's clients who pay their bills each month, in full and as rendered.

Conflicts. Please be aware the firm represents many other 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.

Electronically Stored Information (ESI) Costs. In some legal matters, particularly in litigation, it will be necessary to utilize an e-discovery solution for management and production of ESI. Unless otherwise agreed upon, you authorize us to use the firm's internal e-discovery personnel in lieu of engaging an outside vendor. It is our belief that in a majority of cases, the firm can provide these e-discovery services to you in an efficient manner superior to most outside vendors, and at a lower cost. We use an electronic document review database where documents related to this matter will be stored. The database is hosted by a third-

party vendor, KLDISCOVERY. The monthly charge is \$5.00 per gigabyte and will appear on your bill as "Professional E-Discovery Services." This monthly charge includes: (1) data processing, (2) email threading, (3) identification of near-duplicates, and (4) predictive coding with continuous active learning. Although processing and production costs are included in the monthly charge, we will charge an hourly rate for the set-up, monitoring and quality control of your data, much like outside vendors. The hourly rates for this work range from \$150 to \$350 per hour depending on the individual who is doing the work. In the event that you, or others on your behalf, wish to access the database, a fee of \$75 a month per individual will be applied. For more information about the nature and cost of our ESI Services, please contact the responsible attorney.

While most ESI work is performed by the firm's internal e-discovery personnel, there are times where a vendor may be engaged, either at your request or otherwise, to assist with certain aspects of e-discovery or an ESI project regarding this matter. In those instances, the firm will promptly pay the vendor for those services in accordance with the vendor's terms of payment and the cost will be applied to your bill. Where the vendor invoice for this work is greater than \$500, we may elect, but are not required to, ask you to pay the invoice directly to the vendor.

Generative Artificial Intelligence (GenAI). We anticipate that during this engagement, the firm may use generative artificial intelligence ("GenAI") to enhance and streamline certain aspects of our services. . The firm often uses GenAI tools to aid in document analysis, summarize information, or assist in legal research. These tools can enable our lawyers to work more efficiently and accurately. Specifically, the firm uses Westlaw Precision and Lexis+AI to assist

with legal research, and licenses Microsoft's Copilot. We may use Copilot to summarize information, assist with drafting, and revise writing. The firm also licenses Legora, a legal-specific GenAI tool for analyzing and drafting documents. Specifically, we may use Legora to do tasks like draft summaries, write an initial draft of correspondence or a document, brainstorm ideas for new solutions or strategies, revise grammar and writing, review and categorize documents, and analyze data. Legora has been developed and designed to protect client data from being exposed to those outside the firm.

Like any technology, GenAI carries some degree of risk, which may include new errors in GenAI-generated content, data security vulnerabilities, and system malfunctions. We have implemented reasonable measures to safeguard against these risks, and our lawyers maintain oversight of GenAI-generated outputs. In other words, our lawyers are trained to carefully review any documents prepared using GenAI, and check sources. Accordingly, we believe and, by accepting our services, you agree that the benefits of using this technology outweigh the related risks, and you consent to the use of this technology.

Client Use of Artificial Intelligence. Our communications with you, including drafts of documents, are with certain exceptions protected by attorney-client privilege. This means that neither you, nor the firm, is required to disclose that information, unless authorized by you, or disclosed by you to a third party, whether intentionally or by accident. One way the privilege may be lost is by the use of artificial intelligence products, including recording and summarizing tools. The use of these tools may also produce inaccurate, misleading, or false outputs.

Other Costs/Third Party Vendors. Other costs that the firm incurs on your behalf (such as expert witness fees, filing fees, etc.) will be billed at the firm's actual cost. This may include costs or services provided to you by third parties outside the firm. You will be required to pay for these third party services directly, or to reimburse the firm if we make those payments on your behalf. Substantial expenditures will require either that you pay those sums to us before we expend them or that you directly contract with and pay the third party. You agree that you will indemnify the firm for any claim made against the firm from a third party for services rendered in connection with the firm's representation of you.

Insurance Coverage. You may have insurance that would fund the defense of claims against you or otherwise apply to your matter. Unless otherwise agreed by us in writing, our engagement with you will not include a review of your insurance policies, or advice concerning whether this matter is covered by any insurance you may have in place. We urge you to consult with your insurance broker to locate all relevant policies and to tender defense to all relevant insurers. Depending on the type of policy, both current and expired policies, as well as policies held by related entities, may be relevant. If a policy does have the potential for coverage, it is important that you advise your broker and your insurer promptly of any actual or threatened claim, and tender the defense of that claim to the insurer promptly. Generally, insurers reimburse defense expenses only from the moment of tender. In addition, insurers may deny a defense entirely when a tender has been made too late in the case. In the event that an insurer limits coverage or "reserves its rights," you as the policyholder may have expanded rights under the policy, including the right to choose counsel to defend you instead of the lawyers assigned by the insurer. We count on our

client to work with their insurance brokers to make all relevant tenders.

Electronic Communications. Electronic mail, cellular telephone, facsimile and other forms of electronic communication and document transfer are important business tools that increase our efficiency, responsiveness, and ability to serve you. But they involve risks of third party access and interception. Although we have no reason to believe that our electronic communication systems are not secure, you should be aware that information sent or stored electronically could be accessed by third parties. However, unless you direct us to avoid use of these means of communication, you agree that we may use them to communicate with you about your matter. Please note that we will never communicate critical information about your matter, including wiring instructions, solely by email. Any communication containing critical information should be verified by you verbally before any final action is taken.

The firm has measures in place to protect against security threats, but we cannot guarantee that these measures will be effective at all times. You should therefore take your own precautions against possible security threats, including malware and phishing attacks.

Retention and Disposition of Documents. We ask that whenever possible you only provide us with copies of necessary documents from your files, not originals. The materials we receive from you may or may not be retained in our files, and you are responsible for maintaining your own records. Once our representation of you concludes we will, of course, keep confidential all information you have supplied to us and which is retained by us. At your request, your client file, along with any originals that were provided, 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 by the firm. These firm files include, for example, firm administrative records, time and expense reports, personnel and staffing materials, and credit and accounting records. They may or may not include our 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. All such documents retained by the firm will be transferred to the person responsible for administering our records retention program. In most cases, we will maintain our file, and documents we have not returned to you, for seven years after the matter is concluded, at which time they will be destroyed without further notice to you. We may apply longer retention periods to documents having continuing relevance or intrinsic value such as original wills, trusts, stocks, deeds and titles. We may also image paper documents and save these, instead of hard copies, from our files once a matter concludes. For more information about the retention period for specific types of documents, please contact the lawyer(s) handling your matter.

Entity Clients. In representing a client that is an entity, we do not separately represent its affiliates, such as its parent companies, subsidiaries or other entities under common control with the client, whether or not they are operationally integrated with the client. We also do not separately represent the entity's constituents, such as shareholders, officers, directors, managers, members, partners or employees, whether or not they are speaking agents for the client, in their individual capacities or with respect to their individual interests. We will rely on you to inform them of this fact where appropriate. Thus, for conflict of interest purposes, you agree that we may, to the maximum extent permitted by applicable rules of professional

conduct, represent another client whose interests are adverse to any such affiliate or constituent without notifying you or obtaining your consent.

In addition, you agree to provide clear instructions about who the firm will take direction from and in so doing, and represent that that individual or individuals' interests are aligned with the entity's interests.

Joint Representation. In the event we agree to represent more than one client in connection with a specific matter, we may request and require separate consents from those clients before undertaking, or continuing to undertake, any joint representation, and multiple clients must agree to the terms of a joint representation agreement, which includes among other things the provision that in a joint engagement, we *will not* and cannot agree to maintain in confidence relevant information imparted from one joint client as it relates to other joint clients—that is, we will share relevant information with all joint clients equally, but will maintain that information as confidential with respect to third parties who we do not represent in the matter. If a disagreement or dispute were to develop between joint clients that could not be resolved, it is likely that we will not be in a position to represent either party, unless we make a prior agreement with the joint clients that in such circumstances the firm will continue to represent one of those joint clients, and not the other. Of course, all joint clients are free at any time to retain separate counsel.

Outside Counsel Guidelines (OCGs). All material terms set forth in any OCGs that are provided at the time of the initial engagement will supersede these Standard Terms of Engagement if, and to the extent, they are inconsistent. The firm will not, however, be bound by subsequent versions of any OCGs

unless they are supplied to, and reviewed by our Office of General Counsel in advance of the effective date.

Corporate Transparency Act. Unless we have been explicitly retained to advise on compliance with the federal Corporate Transparency Act or any similar state statute (collectively “CTA”), we have no responsibility to advise you on compliance with the CTA or applicability of CTA exemptions. When our work on your behalf involves creating a new legal entity, we will provide you any firm-specific information required for a CTA filing. We will not be responsible for making any initial or updated filing required under the CTA, which shall remain the responsibility of the Client, unless we specifically agree to do so.

Post-Engagement Matters. You are engaging the firm to provide legal services in connection with a specific matter. Unless previously terminated, as noted above our representation in this matter will conclude upon sending you a final statement for services rendered. After completion of the matter, changes may occur in the applicable laws or regulations that could have an impact on your future rights and liabilities. While we will be happy to respond to any inquiries you may have, after completion of the matter we have no obligation to keep you apprised of future developments unless you ask us to do so. This includes, but is not limited to, changes in State and Federal Tax laws, changed factual circumstances, or other changes in laws or regulations.

Governing Law. This engagement, and all matters arising in connection with it, is governed by the law of the State of New York without regard to conflict of law or choice of law principles.

Questions? We encourage you to be frank with us about how best we can serve you. If

you have any questions about any aspect of our arrangements, please do not hesitate to discuss them with the attorney responsible for your matter or with our Managing Partner.

Revised: May 2026