

NEW YORK OFFICE

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CONNECTICUT OFFICE

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May 1, 2024

**MUNICIPAL ADVISOR SCOPE OF SERVICES AND REQUIRED DISCLOSURES
RELATED TO:**

TOWN OF NEW PALTZ
2024 BOND ANTICIPATION NOTES

Munistat Services, Inc. (“Munistat”) shall provide services related to this issuance of debt as set forth below. The Town acknowledges and agrees that certain tasks requested by the Town will not require every service described below, and as such, the following scope of services for such tasks shall be limited to those services required to complete the transaction. Munistat will promptly inform the Town of any material changes in or additions to the services described below.

Munistat will provide the following services related to the Town’s 2024 BANs:

- Meet with appropriate Town Officials to discuss plan of finance and establish the timeline.
- Distribute the Notice of Sale to the investment community and post the documents appropriate third-party distribution and electronic bidding platform(s).
- Submit required information to the CUSIP Service Bureau.
- Preside over the bid opening at our office and verify the calculation of the winning bid.
- Coordinate the financial details of the closing with the Town, bond counsel and the underwriter
- Prepare the computation of note interest and principal payment due (and, where applicable, the apportionments of such overall payments due into the appropriate funds), and distribute copies of such schedules to the issuer.

FEES AND EXPENSES

The fees for the BANs will be \$1,600.

DISCLOSURE OF CONFLICTS OF INTEREST

CONTINGENT COMPENSATION

The fees to be paid by the Town to Munistat Services, Inc. are contingent upon the successful closing of the transaction. Although this form of compensation may be considered customary, it may also present the appearance of a conflict because Munistat Services, Inc. could have an incentive to recommend unnecessary financings to the Town. For example, when facts or circumstances arise that could cause the financing or other transaction to be delayed or fail to close, Munistat Services, Inc. may have an incentive to discourage consideration of alternatives that may result in the cancellation of the financing or other transaction.

Munistat Services, Inc. manages and mitigates these conflicts primarily by adherence to the fiduciary duty which it owes to municipal entities. Under this fiduciary duty, Munistat is required to put the interests of the Town ahead of its own interests.

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.

OTHER MATERIAL CONFLICTS OF INTEREST

Munistat Services, Inc. has determined, after exercising reasonable diligence, that it has no other known material conflicts of interest that would impair its ability to provide advice to the Town in accordance with its fiduciary duty to municipal entity clients. To the extent that any such material conflicts of interest may arise after the date of this document, Munistat Services, Inc. will provide the client with information regarding such conflicts in written form.

OTHER REQUIRED DISCLOSURES

TERM AND TERMINATION

The existing Agreement is effective as of its Effective Date and shall remain in effect until terminated by either party upon thirty(30) days written notice; provided, however, that in the event of termination of any such engagement, Munistat reserves that right to assess fees for any work performed pursuant to any Work Order.

REQUIRED REGULATORY DISCLOSURES

Munistat 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”) (Registration #867-00429) and the Municipal Securities Rulemaking Board (“MSRB”) (Registration #K0114). As part of this SEC registration, Munistat is 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 Munistat. Pursuant to MSRB Rule G-42, Munistat is required to disclose any legal or disciplinary event that is material to the Town’s evaluation of Munistat or the integrity of its management or advisory personnel. Munistat has determined that no such event exists. Copies of Munistat’s filings with the United States Securities and Exchange Commission can be found by accessing the SEC’s EDGAR system Company Search Page which is currently available at <https://www.sec.gov/edgar/searchedgar/companysearch.html> and searching for either “Munistat Services, Inc.” or for our CIK number, which is 0001608472

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.