

December 4, 2020

Mr. Matt Hopper  
Chairman  
Aerotropolis Regional Transportation Authority  
8390 E. Crescent Parkway, Suite 300  
Greenwood Village, CO 80111

Re: Disclosures by Sole Underwriter  
Pursuant to MSRB Rule G-17  
Aerotropolis Regional Transportation Authority  
Special Revenue Bonds, Series 2021

Dear Mr. Hopper

We are writing to provide you, as Chairman of the Aerotropolis Regional Transportation Authority (The Issuer), with certain disclosures relating to the captioned bond issue (the Bonds), as required by the Municipal Securities Rulemaking Board (MSRB) Rule G-17 in accordance with MSRB Notice 2012-25 (May 7, 2012)<sup>1</sup> and MSRB Rule G-23 in accordance with MSRB guidance<sup>2</sup>. Jefferies LLC (Jefferies) has been engaged as an underwriter, and not as a financial advisor or municipal advisor, in connection with the issuance by the Issuer of the Bonds. As part of our services as underwriter, Jefferies may provide advice concerning the structure, timing, terms, and other similar matters concerning the issuance of the Bonds.

I. Disclosures Concerning the Underwriter's Role

- (i) MSRB Rule G-17 requires an underwriter to deal fairly at all times with both municipal issuers and investors.
- (ii) The underwriter's primary role is to purchase the Bonds with a view to distribution in an arm's-length commercial transaction with the Issuer. The underwriter has financial and other interests that differ from those of the Issuer.
- (iii) Unlike a municipal advisor, the underwriter does not have a fiduciary duty to the Issuer under the federal securities laws and is, therefore, not required by federal law to act in the best interests of the Issuer without regard to its own financial or other interests.
- (iv) The underwriter has a duty to purchase the Bonds from the Issuer at a fair and reasonable price, but must balance that duty with its duty to sell the Bonds to investors at prices that are fair and reasonable.

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<sup>1</sup> MSRB Interpretive Notice Concerning the Application of MSRB Rule G-17 to Underwriters of Municipal Securities (August 2, 2012).

<sup>2</sup> Guidance on the Prohibition on Underwriting Issues of Municipal Securities for Which a Financial Advisory Relationship Exists Under Rule G-23 (November 27, 2011).

- (v) The underwriter will review the official statement for the Bonds in accordance with, and as part of, its responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction.<sup>3</sup>

## II. Disclosures Concerning the Underwriter's Compensation

The underwriter will be compensated either by a fee or an underwriting discount that will be set forth in the bond purchase agreement to be negotiated and entered into in connection with the issuance of the Bonds. Payment or receipt of the underwriting fee or discount will be contingent on the closing of the transaction; the amount of the fee or discount may be based, in whole or in part, on a percentage of the principal amount of the Bonds. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since the underwriter may have an incentive to recommend a transaction that is larger than necessary and/or recommend a transaction that is unnecessary.

## III. Additional Conflicts Disclosure

From time to time, Jefferies, its officers, directors and employees may invest in and trade your securities.

Jefferies has not identified any additional potential or actual material conflicts concerning Jefferies' participation in this transaction that require disclosure.

If you or any other officials of the Issuer have any questions or concerns about these disclosures, please make those questions or concerns known immediately to the undersigned. In addition, the Issuer should consult with its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it deems appropriate.

It is our understanding that you have the authority to bind the Issuer by contract with us, and that you are not a party to any conflict of interest relating to the subject transaction. If our understanding is incorrect, please notify the undersigned immediately. Under MSRB rules, we are required to seek your acknowledgement that you have received this letter. Accordingly, please send me an e-mail to that effect, or sign and return the enclosed copy of this letter to me at the address set forth above.

We look forward to working with you and the Issuer in connection with the issuance of the Bonds. Thank you.

Sincerely,



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Michael Baldwin  
Sr. Vice President  
Jefferies LLC

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<sup>3</sup> Under federal securities law, an issuer of securities has the primary responsibility for disclosure for investors. The review of the official statement by the underwriter is solely for purposes of satisfying the underwriter's obligations under the federal securities laws and such review should not be construed by the Issuer as a guarantee of the accuracy or completeness of the information in the official statement.

Acknowledgement:

A handwritten signature in black ink, appearing to read 'M. Hopper', written over a horizontal line.

Matt Hopper, Chairman  
Aerotropolis Regional Transportation Authority

Date: \_\_\_\_\_