

SORREL RANCH METROPOLITAN DISTRICT

141 Union Boulevard, Suite 150
Lakewood, Colorado 80228-1898
Tel: 303-987-0835 • 800-741-3254
Fax: 303-987-2032

NOTICE OF SPECIAL MEETING AND AGENDA

Board of Directors:	Office:	Term/Expiration:
Mark Selden	President	2022/May 2022
David Bourne	Treasurer	2023/May 2023
Ryan C. Jones	Assistant Secretary	2022/May 2022
<i>VACANT</i>		2022/May 2022
<i>VACANT</i>		2023/May 2023
David Solin	Secretary	

DATE: **September 17, 2020 (Thursday)**

TIME: 6:00 P.M.

LOCATION: Tollgate Crossing Community Center
24625 E. Bellewood Drive
Aurora, Colorado 80016

DUE TO CONCERNS REGARDING THE SPREAD OF THE CORONAVIRUS (COVID-19) AND THE BENEFITS TO THE CONTROL OF THE SPREAD OF THE VIRUS BY LIMITING IN-PERSON CONTACT, THIS DISTRICT'S BOARD MEETING WILL BE ACCESSIBLE BY CONFERENCE CALL. THERE WILL BE ONE PERSON PRESENT AT THE PHYSICAL LOCATION POSTED ON THIS NOTICE AND ALL OTHER ATTENDEES WILL BE VIA CONFERENCE CALL.

IF YOU WOULD LIKE TO ATTEND THIS MEETING, PLEASE CALL IN TO THE CONFERENCE BRIDGE AT 1-877-250-3814 AND WHEN PROMPTED, DIAL IN THE PASSCODE OF 5592663.

I. ADMINISTRATIVE MATTERS

A. Present Disclosures of Potential Conflicts of Interest.

B. Approve Agenda, confirm location of the meeting and posting of meeting notices.

II. FINANCIAL MATTERS

- A. Conduct Public Hearing to consider Amendment to 2020 Budget and consider adoption of Resolution to Amend the 2020 Budget and Appropriate Expenditures (to be distributed).
-

III. LEGAL MATTERS

- A. Ratify engagement of Butler Snow LLP as bond counsel and disclosure counsel (enclosure).
-

- B. Ratify approval of Underwriter/Placement Agent Engagement Agreement between the District and Stifel, Nicolaus & Company, Incorporated (enclosure).
-

- C. Consider adoption of a Resolution authorizing the District’s Limited Tax General Obligation Refunding Bonds, Series 2020 (the “Bonds”) in the maximum principal amount of \$16,000,000, for the purpose of refunding certain outstanding obligations of the District, and paying the costs of issuance of the Bonds; authorize approval of the Preliminary Official Statement and the use thereof by the underwriter in connection with the offering of the Bonds; authorize the preparation of the final Official Statement; authorize the execution and delivery of and performance by the District thereunder of a bond purchase agreement, and any such other documents, certificates, and instruments as may be necessary or required to effect the issuance of the Bonds (to be distributed).
-

IV. OTHER MATTERS

- A. _____
-

V. ADJOURNMENT

THE NEXT REGULAR MEETING IS SCHEDULED FOR NOVEMBER 5, 2020 (BUDGET HEARING).

August 10, 2020

Sorrel Ranch Metropolitan District
c/o David Solin, District Manager
Special District Management Services, Inc.
141 Union Blvd., Suite 150
Lakewood, Colorado 80228

Proposed Issuance of
Sorrel Ranch Metropolitan District
Limited Tax General Obligation Refunding Bonds
Series 2020

Dear David:

We are pleased to confirm our engagement as bond counsel and special counsel to Sorrel Ranch Metropolitan District (the "District") with respect to the issuance of its Limited Tax General Obligation Refunding Bonds, Series 2020 (the "Bonds"). We appreciate your confidence in us and will do our best to continue to merit it.

In establishing our attorney-client relationship for this new transaction, current practice standards dictate that we set forth in writing (and in some detail) the elements of our mutual understanding. While some of the matters covered in this engagement letter will never be relevant or of concern between us, we hope you will understand that as attorneys and counselors it is our natural function to try to make communication clear and complete, and to anticipate and resolve questions before they arise. We also believe that the performance of our services may require your effort and cooperation. Consequently, the better we each understand our respective roles, responsibilities and contributions, the more efficient, effective and economical our work for you can be.

Personnel

This letter sets forth the role we propose to serve and the responsibilities we propose to assume as bond counsel and special counsel to the District in connection with the issuance of the Bonds by the District. We understand that the District Board of Directors (the "Board") has authorized the execution of this letter. Kim Crawford and Matt Touchard will be principally responsible for the work performed on your behalf. Where appropriate, certain tasks may be performed by other attorneys or paralegals. At all times, however, Kim will coordinate, review, and approve all work completed for the District.

1801 California Street
Suite 5100
Denver, CO 80202

KIMBERLEY K. CRAWFORD
720.330.2354
kim.crawford@butlersnow.com

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www.butlersnow.com

Scope of Employment

Bond counsel is engaged as a recognized expert whose primary responsibility is to render an objective legal opinion with respect to the authorization and issuance of bonds. As your bond counsel, we will: examine applicable law; consult with the parties to the transaction prior to the issuance of the Bonds; prepare customary authorizing and operative documents, which may include proceedings relating to: the authorization of the sale and issuance of the Bonds, and closing certificates; review a certified transcript of proceedings; and undertake such additional duties as we deem necessary to render the opinion. Subject to the completion of proceedings to our satisfaction, we will render our opinion relating to the validity of the Bonds, the enforceability of the security for the Bonds, and the exclusion of the interest paid on the Bonds (subject to certain limitations which may be expressed in the opinion) from gross income for federal income tax purposes and for Colorado income tax purposes.

We are also being retained by you to act as special counsel to the District in connection with the Official Statement for the Bonds (the "Official Statement"). As such, we will provide advice to the District on the applicable legal standards to be used in preparing the Official Statement and meeting the District's disclosure responsibilities. At the conclusion of the transaction we will deliver a letter to you stating that we have assisted the District in the preparation of the Official Statement, and that in the course of such assistance, nothing has come to the attention of the attorneys in our firm rendering legal services in connection with our representation which leads us to believe that the Official Statement, as of its date (except for the financial statements, other statistical data and statements of trends and forecasts and information concerning The Depository Trust Company ("DTC") provided by DTC contained in the Official Statement and its Appendices, as to which we express no view), contains any untrue statement of material fact or omits to state any material fact necessary to make the statements in the Official Statement, in light of the circumstances under which they were made, not misleading.

In rendering our opinion and letter, we will rely upon the certified proceedings and other certifications of public officials and other persons furnished to us without undertaking to verify the same by independent investigation. Our opinion and letter each will be addressed to the District and will be executed and delivered by us in written form on the date the Bonds are exchanged for their purchase price (the "Closing"). The opinion and letter each will be based on facts and law existing as of their date.

Our services are limited to those contracted for explicitly herein; the District's execution of this letter constitutes an acknowledgment of those limitations. Specifically, but without implied limitation, our responsibilities do not include any representation by Butler Snow LLP in connection with any IRS audit, SEC enforcement action or any litigation

involving the District or the Bonds, or any other matter. Neither do we assume responsibility for the preparation of any collateral documents (*e.g.*, environmental impact statements) which are to be filed with any state, federal or other regulatory agency. Nor do our services include financial advice (including financial advice about the structure of Bonds) or advice on the investment of funds related to the Bonds.

Representation of the District

In performing our services as bond counsel and as special counsel, the District will be our client and an attorney-client relationship will exist between us. We will represent the interests of the District rather than the Board, its individual members, or the District's employees. We will work closely with the District's general counsel and will rely on his opinion with regard to specific matters, including pending litigation. We assume that other parties to the transaction will retain such counsel as they deem necessary and appropriate to represent their interests in this transaction. Our limited representation of the District does not alter our responsibility to render an objective opinion as bond counsel.

Conflicts of Interest

Before accepting any new business, the Colorado Rules of Professional Conduct require us to evaluate whether there exist any ethical constraints to representing you in this new matter. We have completed a conflicts check within our firm and have found no current conflict between the District and our existing clients. We note that Stifel Nicolaus & Company, Incorporated (your "Underwriter"), as well as many other investment banking firms in Colorado, have been our clients in past bond transactions unrelated to the District. As you are aware, our Public Finance Department specializes in all aspects of public finance in Colorado, New Mexico, Nevada, and Wyoming, and our firm represents many political subdivisions, investment bankers/underwriters, trustees, financial institutions and other companies and individuals. During the course of our engagement with you or at some future time, it is possible that we may be asked to represent your Underwriter as underwriter's counsel in unrelated bond transactions. Further, it is possible that we may be asked to represent, in wholly unrelated matters outside the area of public finance, financial institutions, companies or individuals that have transactions with the District.

Technically, because an issuer sells its bonds to an underwriter or purchaser, your interests are "adverse" to those of your Underwriter. You likely will agree with us that bond transactions are more of a cooperative effort than an adversarial purchase and sale. We do not believe that our former, current or possible future representation of your Underwriter will act as a material limitation on our ability to represent the District as bond counsel and special counsel. In addition, this issue of Bonds is not a matter which is substantially related to our previous representation of the Underwriter. Accordingly, even though your interests

are adverse to those of the Underwriter in this bond transaction, based upon our ethical rules, it is our conclusion that we may undertake this engagement.

With respect to our future representation of the Underwriter in a matter unrelated to the Bonds, we acknowledge that you might be concerned about confidentiality of information. We want to advise you that we will not use any information obtained in our capacity as bond counsel or special counsel to the disadvantage of the District. If you have questions or concerns about our analysis of this issue, about our former or (possible) future representation of the Underwriter, or if you would like us to consult further with your general counsel on this matter, please let us know. Subject to such consultation, we will treat your acceptance of this letter as consent to our past and future representation of the Underwriter in matters unrelated to the Bonds.

Fee Arrangement

Based upon: (i) our current understanding of the terms, structure, size and schedule of the financing, (ii) the duties we will undertake pursuant to this letter, (iii) the time we anticipate devoting to the financing, (iv) the skill and experience required to complete the services properly, and (v) the responsibilities we will assume, we estimate that our fee as bond counsel and special counsel will be \$125,000. Such fees may vary: (i) if the principal amount of Bonds actually issued differs significantly from the amount stated above, (ii) if material changes in the structure of the financing occur, or (iii) if unusual or unforeseen circumstances arise which require a significant increase in our time or our responsibilities. If, at any time, we believe that circumstances require an adjustment of our original fee estimate, we will consult with you and prepare an amendment to this engagement letter.

We understand and agree that our contingent fees will be paid at Closing out of Bond proceeds. *If the financing is not consummated, we understand and agree that we will not be paid.* If, for any reason, the financing is completed without our opinion as bond counsel, we will expect to be compensated at our normal hourly rates for time actually spent on your behalf, plus disbursements.

Document Retention

Butler Snow maintains its client files electronically. We do not keep separate paper files. We will scan documents you or others send to us related to your matter to our electronic file for that matter and will retain only the electronic version while your matter is pending. Unless you instruct us otherwise, once such documents have been scanned to our electronic file, we will destroy all paper documents provided to us. If you send us original documents that need to be maintained as originals while the matter is pending, we ordinarily will scan those to our client file and return the originals to you for safekeeping. Alternatively,

you may request that we maintain such originals while the matter is pending. If we agree to do that, we will make appropriate arrangements to maintain those original documents.

Unless you instruct us otherwise, once our work on this matter is completed, we will designate your file as a closed file on our system and will apply our document retention policy then in effect to the materials in your closed file. At that time, we ordinarily will return to you any original documents we have maintained in accordance with the preceding paragraph while the matter was pending. Otherwise, we will retain the closed file materials for our benefit and subject to our own policies and procedures concerning file retention and destruction. Accordingly, if you desire copies of any documents (including correspondence, e-mails, pleadings, contracts, agreements, etc.) related to this matter or generated while it was pending, you should request such copies at the time our work on this matter is completed. A more complete notice of Butler Snow's Record Retention and Destruction Policy for Client Files, which also will be applicable to this Engagement, is attached as **Exhibit A** and incorporated herein by reference.

Termination of Engagement

The above fees contemplate compensation for usual and customary services as bond counsel and as special counsel to the District in connection with the Official Statement, as described above. Upon delivery of the opinion and letter, our responsibilities as bond counsel and as special counsel will terminate with respect to this financing, and our representation of the District and the attorney-client relationship created by this engagement letter will be concluded. Specifically, but without implied limitation, we do not undertake to provide continuing advice to the District or to any other party to the transaction. Many post-issuance events may affect the Bonds, the tax-exempt status of interest on the Bonds, or liabilities of the parties to the transaction. Such subsequent events might include a change in the project to be financed with Bond proceeds, a failure by one of the parties to comply with its contractual obligations (*e.g.*, rebate requirements, continuing disclosure requirements), an IRS audit, or a change in federal or state law. Should the District seek the advice of bond counsel or special counsel on a post-closing matter or seek other, additional legal services, we would be happy to discuss the nature and extent of our separate engagement at that time.

Approval

If the estimated fees, the requested consent to possible future representation of the Underwriter, and other foregoing terms of this engagement are acceptable to you, please so indicate by returning a copy of this letter signed by the officer so authorized, keeping a copy for your files.

We are pleased to have the opportunity to serve as your bond counsel and special counsel and look forward to a mutually satisfactory and beneficial relationship. We

are deeply committed to the proposition that our clients must be satisfied with the quality of our services as well as the amount of our charges. Our effectiveness and your best interest are enhanced by an atmosphere of candor and confidence between us, not only as to the facts and circumstances of the legal issues on which we are working, but also as to the attorney-client relationship itself. If at any time you have questions concerning our work or our fees, we hope that you will contact us immediately.

BUTLER SNOW LLP

By: 

Accepted and Approved:

SORREL RANCH METROPOLITAN
DISTRICT

By: _____

Its: _____

Date: _____

KKC/jw
Enclosure

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BUTLER SNOW LLP

By: *Kevin Crawford*

Accepted and Approved:

SORREL RANCH METROPOLITAN
DISTRICT

By: *Mark Hildrey*

Its: *President*

Date: *8/18/20*

KKC/jw
Enclosure

Exhibit A

**NOTICE TO CLIENTS OF BUTLER SNOW'S
RECORD RETENTION & DESTRUCTION POLICY FOR CLIENT FILES**

Butler Snow maintains its client files electronically. Ordinarily, we do not keep separate paper files. We will scan documents you or others send to us related to your matter to our electronic file for that matter and will ordinarily retain only the electronic version while your matter is pending. **Unless you instruct us otherwise, once such documents have been scanned to our electronic file, we will destroy all paper documents provided to us.** If you send us original documents that need to be maintained as originals while the matter is pending, we ordinarily will scan those to our client file and return the originals to you for safekeeping. Alternatively, you may request that we maintain such originals while the matter is pending. If we agree to do that, we will make appropriate arrangements to maintain those original documents while the matter is pending.

At all times, records and documents in our possession relating to your representation are subject to Butler Snow's Record Retention and Destruction Policy for Client Files. Compliance with this policy is necessary to fulfill the firm's legal and ethical duties and obligations, and to ensure that information and data relating to you and the legal services we provide are maintained in strict confidence at all times during and after the engagement. All client matter files are subject to these policies and procedures.

At your request, at any time during the representation, you may access or receive copies of any records or documents in our possession relating to the legal services being provided to you, excluding certain firm business or accounting records. We reserve the right to retain originals or copies of any such records or documents as needed during the course of the representation.

Unless you instruct us otherwise, once our work on this matter is completed, we will designate your file as a closed file on our system and will apply our document retention policy then in effect to the materials in your closed files. At that time, we ordinarily will return to you any original documents we have maintained in accordance with the preceding paragraph while the matter was pending. Otherwise, we will retain the closed file materials for our benefit and subject to our own policies and procedures concerning file retention and destruction. Accordingly, if you desire copies of any documents (including correspondence, e-mails, pleadings, contracts, agreements, etc.) related to this matter or generated while it was pending, you should request such copies at the time our work on this matter is completed.

You will be notified and given the opportunity to identify and request copies of such items you would like to have sent to you or someone else designated by you. You will have 30 days

from the date our notification is sent to you to advise us of any items you would like to receive. You will be billed for the expense of assimilating, copying and transmitting such records. We reserve the right to retain copies of any such items as we deem appropriate or necessary for our use. Any non-public information, records or documents retained by Butler Snow and its employees will be kept confidential in accordance with applicable rules of professional responsibility.

Any file records and documents or other items not requested within 30 days will become subject to the terms of Butler Snow's Record Retention and Destruction Policy for Client Files and will be subject to final disposition by Butler Snow at its sole discretion. Pursuant to the terms of Butler Snow's Record Retention and Destruction Policy for Client Files, all unnecessary or extraneous items, records or documents may be removed from the file and destroyed. The remainder of the file will be prepared for closing and placed in storage or archived. It will be retained for the period of time established by the policy for files related to this practice area, after which it will be completely destroyed. This includes all records and documents, regardless of format.

While we will use our best efforts to maintain confidentiality and security over all file records and documents placed in storage or archived, to the extent allowed by applicable law, Butler Snow specifically disclaims any responsibility for claimed damages or liability arising from damage or destruction to such records and documents, whether caused by accident; natural disasters such as flood, fire, or wind damage; terrorist attacks; equipment failures; breaches of Butler Snow's network security; or the negligence of third-party providers engaged by our firm to store and retrieve records.

UNDERWRITER/PLACEMENT AGENT ENGAGEMENT AGREEMENT

THIS AGREEMENT is made and entered into this _____ day of July, 2020, by and among the Sorrel Ranch Metropolitan District (the "Issuer") and Stifel, Nicolaus & Company, Incorporated, ("Stifel"), with reference to the following facts:

RECITALS

WHEREAS, the Issuer plans to issue Limited Tax General Obligation Refunding Bonds or Loan, Series 2020 (the "Bonds") to refund the Issuer's General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds, Series 2006A and Subordinate General Obligation (Limited Tax Convertible to Unlimited Tax) Bonds, Series 2006B (the "Project"); and

WHEREAS, the Issuer desires and is authorized by law to retain the services of Stifel in connection with the issuance of the Bonds; and

WHEREAS, Stifel agrees to be retained by the Issuer and to provide to the Issuer the services described herein; and

WHEREAS, Stifel agrees to act as underwriter or placement agent, subject to the conditions set forth herein;

WHEREAS, if this engagement takes the form of a placement, at the closing of the placement, the Issuer will be asked to sign a Placement Agent Agreement, providing for more detailed terms of this engagement as well as representations and warranties;

NOW therefore, for and in consideration of the mutual promises, covenants, and conditions herein contained, the parties hereto agree as follows:

Scope of Services

The Issuer has engaged Stifel to perform various services related to the issuance of the Bonds, which are to be performed within the framework of all relevant rules and regulations. All services are provided on an arm's length, commercial basis and may or may not be provided in conjunction with services provided by advisors to the Issuer, such as, but not limited to, a financial advisor or a municipal advisor.

With this understanding, Stifel may provide the following services and perform the following functions with respect to the Bonds:

A. Structuring the Financing

1. Stifel will work with the Issuer, its bond counsel, financial advisor, disclosure counsel, and other members of the Issuer's financing team in evaluating specific terms and conditions affecting the Bonds with the purposes of meeting the Issuer's financing objectives and assuring appropriate credit quality;
2. Stifel will work with the Issuer to create a feasible and efficient structure for the Bonds in order to enhance the Bonds' marketability; and

3. In cooperation with the Issuer, Stifel will assist in the preparation of and/or review of all documents necessary to implement the issuance of the Bonds, including, but not limited to, authorizing resolutions, bond purchase agreement, and preliminary and final official statements distributed to potential investors, as required.

B. Marketing the Securities

1. Stifel will provide information and material as needed to support presentations for rating agencies and/or bond insurance companies; if requested;
2. Stifel will coordinate printing and distribution of the preliminary and final official statements, if any;
3. Together with the Issuer and other appropriate parties, Stifel will provide market information on the timing of the sale of the Bonds in relation to the market conditions and financing needs;
4. Stifel will arrange for distribution of the final official statements, if any, in accordance with Section 240.15c2-12 of Title 17 of the Code of Federal Regulations; and
5. Stifel will serve as sole managing underwriter or placement agent of the Bonds, which obligation is conditioned upon the execution of a mutually satisfactory bond purchase agreement, placement agent agreement, and other customary documentation, and coordinate with all parties so as to consummate the sale and delivery of the Bonds in a timely manner.

Regulatory Disclosure

Issuer is aware of Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the Securities and Exchange Commission's adopted rule commonly known as the "Municipal Advisor Rule" (SEC Rule 15Ba1-1 to 15Ba1-8 -"the Rule") and the underwriter exclusion from the definition of "municipal advisor" for a firm serving as an underwriter or placement agent for a particular issuance of municipal securities. Some of the services that Stifel will be called upon to perform, such as providing advice with respect to the sizing, structure, timing and terms of the Bond issuance, are services that are also commonly provided by financial advisory firms.

However, in providing such services for the Bonds, the parties understand and agree that Stifel is serving as an underwriter or placement agent for this transaction and is permitted to give advice and recommendations under the "underwriter exclusion" provision of the Rule. The Issuer agrees that Stifel will not be serving as the Issuer's financial advisor or acting as an agent or fiduciary for the Issuer and that the Issuer will be consulting with its own legal, financial and other advisors. This Agreement and relationship shall be either executed, approved or acknowledged by the governing board of Issuer (the "Governing Board").

Role Disclosures

1. Municipal Securities Rulemaking Board ("MSRB") Rule G-17 requires underwriters and placement agents to deal fairly at all times with both municipal issuers and investors.
2. The Underwriter's primary role is to purchase securities with a view to distribution in an arm's-length commercial transaction with the Issuer. The Placement Agent's primary role is to place securities directly with an investor or investors on behalf of the Issuer without first purchasing the securities. Stifel has financial and other interests that differ from those of the Issuer.

3. Unlike a municipal advisor, the Underwriter/Placement Agent 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.
4. The Underwriter has a duty to purchase the securities from the Issuer at a fair and reasonable price, but must balance that duty with its duty to sell the municipal securities to investors at prices that are fair and reasonable.
5. Stifel will review the official statement for the securities in accordance with, and as part of, its respective responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction.¹

Disclosures Concerning the Underwriter's Compensation and Placement Agent Fee

The Underwriter will be compensated by a an underwriting discount that will be set forth in the bond purchase agreement to be negotiated and entered into in connection with the Issue. The Placement Agent will be compensated by a fee agreed upon with the Issuer in connection with the private placement of the Issue. Payment or receipt of the underwriting discount or placement agent fee will be contingent on the closing of the transaction and the amount of the discount or fee may be based, in whole or in part, on a percentage of the principal amount of the Issue. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since the Underwriter or Placement Agent may have an incentive to recommend to Issuer a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary.

Conflicts of Interest Disclosures

Stifel has not identified any additional potential or actual material conflicts that require disclosure.

Disclosures Relating to Complex Municipal Securities Financing

Since Stifel has not recommended a "complex municipal securities financing" to the Issuer, additional disclosures regarding the financing structure for the Issue are not required under MSRB Rule G-17.

However, if Stifel recommends, or if the Issue is ultimately structured in a manner considered a "complex municipal securities financing" to the Issuer, this agreement will be supplemented to provide disclosure of the material financial characteristics of that financing structure as well as the material financial risks of the financing that are known to us and are reasonably foreseeable at that time.

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.

¹ Under federal securities law, an issuer of securities has the primary responsibility for disclosure to 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 an issuer as a guarantee of the accuracy or completeness of the information in the official statement.

Limitation of Duties

The Issuer acknowledges and agrees that Stifel is not making a commitment to extend credit, make a loan or otherwise fund the Project beyond the obligations contained in a mutually satisfactory bond purchase agreement or placement agent agreement. The Issuer acknowledges that the services provided under this Agreement involve professional judgment by Stifel and that the results cannot be, and are not, guaranteed.

As addressed above, among the services that Stifel will perform under this Agreement is assistance in preparation of, and/or review of the preliminary and final official statements for the Bonds, if any. We note, however, that under federal securities law, an issuer of securities has the primary responsibility for disclosure to investors. Our assistance with respect to, and/or review of the official statement will be solely for purposes of satisfying our obligations as underwriter or placement agent under the federal securities laws and such assistance and/or review should not be construed by the Issuer as a guarantee of the accuracy or completeness of the information in the official statement.

Expenses

The Issuer, from the Bond proceeds, will pay Stifel's costs incurred in the performance of this Agreement, including costs of its legal counsel, if any, communication, preparation of the official statements, and overhead expenses.

The Issuer, from the Bond proceeds or other lawfully available funds, will pay for legal fees, including disclosure counsel; rating agency and credit enhancement fees including all related travel (if any); the cost of appraisal, fiscal consultant, statistical, computer, and graphics services (if any), cost of printing and distribution of the official statements and expense of publication, advertising, and informational meetings; and the costs of fiscal agent or bond trustee and registrar.

Compensation

Stifel agrees to prepare and coordinate all aspects of the sale of the Bonds. Stifel will be paid only when the Bonds are sold. The fee for Stifel's preparation and coordination of the sale of the Bonds shall be \$4.25 per \$1,000.00 of Bonds sold, if Stifel serves as the underwriter in a public offering. If Stifel serves as a placement agent, its fee shall be \$4.00 per \$1,000.00 of Bonds sold. The underwriting fee/placement agent fee is contingent on a successful sale of the Bonds and is payable from the proceeds of the Bonds.

Term of Agreement

This Agreement is to continue until the Project is financed or until the Governing Board formally abandons the Project, unless previously terminated by mutual written consent of the parties hereto.

This Agreement may be terminated at any time by the Issuer, upon five business days' prior notice to such effect to Stifel, or Stifel upon five business days' prior notice to such effect to the Issuer. Any such termination, however, shall not affect the obligations of the Issuer under the Expenses section hereof.

Severability of Provisions

If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby if such remainder would then continue to conform to the terms and requirements of applicable law.

Governing Law

This Agreement, and the rights and obligations of the parties hereto, shall be construed, interpreted and enforced pursuant to the laws of Colorado, and exclusive venue in any and all actions existing under this Agreement shall be laid in the action or proceeding which Issuer or Underwriter may be required to prosecute to enforce its respective rights within this Agreement. The unsuccessful party therein agrees to pay all costs incurred by the prevailing party therein, including reasonable interest and attorney's fees, to be fixed by court, and said costs, interest, and attorneys' fees shall be made a part of the judgment in said action. Prior to the commencement of any litigation concerning this Agreement, the Issuer and Stifel agree to first submit any disagreements to mediation. This mediation requirement is intended to reduce the costs of dispute resolution for both parties.

Subcontractors

Stifel shall, with the prior written approval of the Issuer, use such subcontractors as are necessary in the fulfillment of this Agreement.

Miscellaneous

Nothing contained herein shall preclude Stifel from carrying on its customary and usual business activities. Stifel specifically reserves the right, but is not obligated, to bid for and maintain secondary markets on any Issuer outstanding bonds subject to appropriate information barriers. Services provided by Stifel in connection with this Agreement shall not limit Stifel from providing services for the Issuer in conjunction with other services requested by the Issuer except as limited by rule of law or regulation.

In connection with services agreed to herein, it is understood that Stifel will render professional services as an independent contractor. Neither Stifel nor any of its agents or employees shall be deemed an employee of the Issuer for any purpose.

Stifel shall not assign or otherwise transfer any interest in this Agreement without the prior written consent of the Issuer.

The Issuer acknowledges and recognizes Stifel as Underwriter with respect to the municipal securities referenced for purposes of MSRB Rule G-23 and Securities and Exchange Commission Rule 17 CFR (Registration of Municipal Advisors) and acknowledges receipt of the G-17 disclosures included herein.

This Agreement constitutes the entire agreement between the parties relating to the subject matter thereof and supersedes any prior understandings or representations. The Agreement may be amended or modified only by a writing signed by both parties. It is solely for the benefit of the Issuer and Stifel, and no other person.

This Agreement is submitted in duplicate originals. The acceptance of this Agreement by the Issuer will occur upon the return of one original executed by an authorized Issuer representative, and the Issuer hereby represents that the signatory below is so authorized.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

Stifel, Nicolaus & Company, Incorporated

By Michael Lund

Name: Michael Lund

Title: Director

Date: July 27, 2020

ACCEPTANCE

~~Sorrel Ranch Metropolitan District~~

By Mark Selden

Name MARK SELDEN

Title President - Sorrel Ranch Metro Dist.

Date 9/14/20