

Cutler Charitable Foundation  
6001 Indian School Road NE, Suite 150  
Albuquerque, NM 87110

March 22, 2017

21<sup>st</sup> Century Public Academy  
6805 Academy Parkway W NE  
Albuquerque, NM 87109

Re: Engagement Letter  
Issuer TBD, Charter School Lease Revenue Bonds (21<sup>st</sup> Century Public Academy Project), Series 2017

To Whom It May Concern:

Piper Jaffray & Co. (“Piper Jaffray” or the “Underwriter”) welcomes the opportunity to represent Cutler Charitable Foundation (the “Borrower”) and 21<sup>st</sup> Century Public Academy (the “School”) as investment banker for the Borrower in the structuring and placement of certain tax-exempt and taxable securities as identified above. Pursuant to this engagement letter (the “Agreement”), the Underwriter will work with the Borrower and the School, its staff, its legal counsel, bond counsel, and such other advisors and consultants as the Borrower and the School may choose to employ, to execute the financing on its behalf. We would like to take this opportunity to set forth some pertinent information about our services, including the process of underwriting.

Although the Underwriter intends to work closely with you during the period preceding the pricing and sale of the proposed Bond Issue with the aim of timely completion of the financing, we are not herein making a final commitment to underwrite bonds until certain events have occurred. Such a commitment is subject to, among other things, satisfactory completion and execution of all final documentation for an offering (including a Bond Purchase Agreement containing all provisions necessary to satisfy federal securities laws and the rules of the Municipal Securities Rulemaking Board, and all other applicable rules and regulations); absence of any material adverse change in the financial markets or in the financial condition, operations or prospects of the Borrower and the School; receipts of all required governmental approvals and appropriate legal opinions; an underwriter’s review (“due diligence”) of the offering documents, as required under federal securities laws; the negotiation of appropriate indemnification; state blue sky reviews, as appropriate; and credit approval by the Underwriter. This Agreement is therefore not a final commitment by the Underwriter, express or implied, to underwrite or purchase any securities, nor does it obligate the Underwriter to enter into a Bond Purchase Agreement. While we do not anticipate difficulties in the course of the proposed financing, and look forward to a successful conclusion to this engagement, we prefer to identify these conditions to our final commitment at the outset.

## **Plan of Finance**

The bonds referred to above are the proposed Issuer TBD, Charter School Lease Revenue Bonds, (21<sup>st</sup> Century Public Academy Project), Series 2017, with a preliminary par amount to be determined which shall be structured as fixed rate bonds sold in one or more terms (the “Bonds”).

### **Investment Banker Relationship**

As investment banker, the Underwriter is prepared to perform the following functions, and other services that may be appropriate to assist in carrying out the issuance from time to time of the Bonds. Assuming the full and continuing cooperation of representatives of the borrower and advisors and consultants, the Underwriter will:

- (1) Advise and assist the Borrower and the School in finalizing the appropriate financing structure.
- (2) Prepare the financing timetable, distribution list and term sheet.
- (3) Assist Bond Counsel, Borrower's Counsel and others in the preparation of documents necessary to the structuring and marketing of your financing, including the Bond Resolution, the Trust Indenture, Loan and Lease Agreements, Preliminary and Final Official Statements, the Bond Purchase Agreement, the Continuing Disclosure Agreement and other necessary documents.
- (4) Keep all financing team participants informed regarding bond market and legislative conditions and legislative actions prior to the issuances of the Bonds.
- (5) Prepare and distribute marketing materials to the Underwriter's sales team to use in marketing the Bonds to potential investors.
- (6) Conduct an offering of the Bonds with appropriate investors and negotiate a price for the Bonds acceptable to the Borrower and the School.
- (7) Prepare the closing instructions and coordinate the settlement process on the Bonds.

### **Compensation for Investment Banking Services**

Piper Jaffray will serve exclusively as the sole underwriter with respect to the Bonds. The contemplated structure of the Bonds is described above in the "Plan of Finance." If the financing is structured as such, our underwriting fee will be 3.00% of the par amount of the Bonds as and when issued and purchased.

### **Allocation and Payment of Expenses**

The Borrower and the School agree to pay all appropriate costs of issuance associated with the financing, including but not necessarily limited to, the following: underwriter's counsel fee (for which there shall be a "not to exceed" amount committed by the Underwriter in advance); registration or filing fees with various states and other certain charges related to the marketing of the Bonds; cost of printing the Final Official Statement; fees and disbursements of the trustee and paying agent; fees and disbursements of Bond Counsel and any other out-of-pocket expenses of the Borrower and the School or of its representatives. Certain expenses listed above are paid by Piper Jaffray and reimbursed by the Borrower. If for any reason the Bonds are not issued, the Borrower and the School agree to pay only those fees that have been incurred through such date as agreed to by both parties. Piper Jaffray will not seek reimbursement of its out-of-pocket expense or underwriter's counsel expense if the transaction does not close due to market conditions.

### **Disclaimer**

We are providing this material to you with certain regulatory disclosures as required by the Municipal Securities Rulemaking Board. As part of our services, Piper Jaffray may provide advice concerning the structure, timing, terms, and other similar matters concerning an issue of municipal securities that Piper Jaffray is underwriting or placing. However, Piper Jaffray intends to serve as an underwriter and not as a financial advisor to you in this transaction; and the primary role of Piper Jaffray is to purchase securities for resale to investors or arrange for the placement of securities in an arm's-length

commercial transaction between you and Piper Jaffray. Piper Jaffray has financial and other interests that differ from your interests.

This Agreement will be governed by, and construed in accordance with, the laws of the State of New York, without regard to principles of conflicts of law to the extent that the application of the laws of another jurisdiction would be required thereby. The Borrower, the School and the Underwriter each hereby irrevocably waive any right they may have to a trial by jury in respect of any claim based upon or arising out of this Agreement or the transactions contemplated hereby.

### Termination

The term of this Agreement shall begin on the date of execution set forth below and shall expire when all of the Bonds have been issued. Either party has the right to terminate this engagement at any time by specifying the date of termination in a written notice delivered to the other party at least sixty days before the termination date. In the event the Borrower and the School terminates this engagement, Piper Jaffray will be entitled to the expenses listed above that have been incurred through such date. Until such time as this agreement is terminated, both parties agree to work in good faith on a best efforts basis toward a successful offering of the proposed Bonds.

This Agreement may not be modified except in writing and executed by the Borrower, the School and Piper Jaffray.

Very truly yours,



Nick Hagen  
Senior Vice President



J. Dale Lehman  
Managing Director

Agreement to the Engagement:

Cutler Charitable Foundation

By: \_\_\_\_\_

Its: \_\_\_\_\_

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

21<sup>st</sup> Century Public Academy

By: \_\_\_\_\_

Its: \_\_\_\_\_

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