

EXHIBIT A



*8000 Forsyth Boulevard
St. Louis, Missouri 63105-1797
(314) 746-3678*

07/02/2024

DeeDee Tschirhart
Procurement Officer
City of Lee's Summit, Missouri
220 SE Green Street
Lee's Summit, MO 64063

**Re: RFP No. 2024-080, Lease Purchase Financing of Fire Apparatus
Due July 2, 2024, 3:00 PM (local time)**

Dear Ms. Tschirhart:

Thank you for considering Clayton Holdings, LLC as your financial partner!

Statement of Qualifications

Clayton Holdings, LLC is an equity subsidiary of Commerce Bancshares, Inc.

Commerce Bank operates as a super-community bank offering an array of sophisticated financial products delivered with high quality, personal, customer service.

Commerce Bank at a glance:

- Super-Community Bank in the industry for nearly 160 years
- \$30.4 Billion in assets
- 41st largest U.S. Bank based on asset size
- 167 Banking Centers
- The majority of the Company's pre-tax profit is generated from nine key markets including; Kansas City, St. Louis, and Springfield, Missouri; Central Missouri; Central Illinois; Wichita, Kansas; Tulsa, and Oklahoma City, Oklahoma; and Denver, Colorado

Commerce Bank has more than 50 locations throughout greater Kansas City metropolitan area including 4 locations in Lee's Summit (retail branches near Third Street/291 Highway; Ward Road/150 Highway; and Woods Chapel Road/Interstate 470 as well as an administrative office near Third Street/291 Highway).

Commerce Bank is pleased to present the City of Lee's Summit, MO with the following proposal and necessary requirements in response to RFP No. 2024-080 for the City of Lee's Summit Lease Purchase Financing of Fire Apparatus through Commerce Bank's wholly owned subsidiary, Clayton Holdings, LLC.

Financial Information

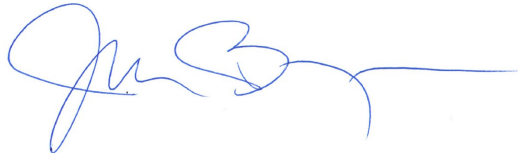
Please find the Bank's Annual Report and Form 10-K to include the Bank's History and Financial information available on the Bank's website:

<https://www.commercebank.com/about-us/get-to-know-us>

Clayton Holdings, LLC intends to hold the lease until maturity. Our proposal is subject to final credit underwriting and approval, as well as final documents acceptable to both parties. Please do not hesitate to contact us with any questions or clarifications regarding our response to this RFP.

Thank you again for your consideration.

Kind Regards,




Jason Boyer, Vice President – Commerce Bank
Eastern Jackson County Business Banking
905 SE Third Street
Lee's Summit, MO 64063
Phone: 816.234.8907
Email: Jason.Boyer@commercebank.com



Frank D. Hill, Officer - Clayton Holdings, LLC
Senior Vice President, Tax Exempt-Leasing &
Finance – Commerce Bank
727 Poyntz Avenue
Manhattan, KS 66502
Phone: 785.587.1541
Email: Frank.Hill@commercebank.com

VENDOR INFORMATION FORM

By submitting a Proposal, the submitting Firm certifies that it has reviewed the administrative information and draft of the Professional Services Agreement's terms and conditions and, if awarded the Agreement, agrees to be bound thereto.

<hr/>		
<u>Clayton Holdings, LLC</u>	<u>03-0479134</u>	
FIRM SUBMITTING PROPOSAL	FEDERAL TAX ID NUMBER	
<u>Frank D. Hill, Officer</u>		
PRINTED NAME AND TITLE	AUTHORIZED SIGNATURE	
<u>8000 Forsyth Blvd. Suite 1210</u>	<u>785-587-1541</u>	<u>785-587-1586</u>
ADDRESS	TELEPHONE	FAX #
<u>St. Louis, MO 63105</u>	<u>07/02/2024</u>	
CITY STATE ZIP	DATE	
<u>www.commercebank.com</u>	<u>frank.hill@commercebank.com</u>	
WEB SITE	E-MAIL ADDRESS	
<hr/>		

SMALL, MINORITY, DISADVANTAGED AND WOMEN-OWNED BUSINESS ENTERPRISES (check appropriate item(s)):

- Small Business Enterprise (SBE)
- Minority Business Enterprise (MBE)
- Disadvantaged Business Enterprise (DBE)
- Women-Owned Business Enterprise (WBE)
- Missouri Service Disabled Veteran Business Enterprise pursuant to Section 34.074, RSMo

Has the Firm been certified by any jurisdiction in Missouri as a minority or woman-owned business enterprise?
If yes, please provide details and documentation of the certification. N/A

FORM NO. 1: PROPOSER PROFILE

1. Lead Service Provider/Firm(s) (or Joint Venture) Name and Address:
Clayton Holdings, LLC, 8000 Forsyth Blvd., Suite 510, St. Louis, MO 63105
 - 1a. Provider /Firm is: National Regional Local
 - 1b. Year Provider/Firm Established:
Commerce Bank was established in 1865. Clayton Holdings, LLC was established in 2002 as a wholly owned equity subsidiary of Commerce Bank.
Years of Experience providing RFP identified services/project for municipalities:
40+ years providing financing instruments for municipalities.
Year of Experience conducting requested services:
40+ years providing financing instruments for municipalities.
 - 1c. Licensed to do business in the State of Missouri: Yes No
Missouri-Chartered financial institution
 - 1d. Principal contact information: Name, title, telephone number and email address:
Jason Boyer, Vice President - Commerce Bank, 905 SE Third Street, Lee's Summit, MO 64063, Ph. 816-234-8907, Email: Jason.Boyer@commercebank.com
Frank Hill, Officer - Clayton Holdings, LLC, SVP - Commerce Bank, 727 Poyntz Ave., Manhattan, KS 66502, Ph. 785-587-1541, Email: Frank.Hill@commercebank.com
Ashley Stout, Officer- Clayton Holdings, LLC, AVP - Commerce Bank, 727 Poyntz Ave., Manhattan, KS 66502, Ph. 785-587-1543, Email: Ashley.Stout@commercebank.com
 - 1e. Address of office to perform work, if different from Item No. 1:
905 Third Street, Lee's Summit, MO 64063
2. Please list the number of persons by discipline that your Firm/Joint Venture will commit to the City's project or the services to be provided:
5 associates will be utilized if awarded the RFP including 3 members from Lee's Summit relationship team and 2 members of Government Leasing & Finance team.
3. If submittal is by Joint Venture or utilizes subcontractors, list participating firms/providers and outline specific areas of responsibility (including administrative, technical, and financial) for each firm: Not Applicable
- 3a. Has this Joint Venture previously worked together? Yes No Not Applicable

FORM NO. 2: KEY OUTSIDE CONSULANTS/SUBCONTRACTORS

Each respondent must complete this form for all proposed sub-consultants.

Not Applicable - We do not expect to utilize outside consultants or subcontractors for the requested services.

SUB-CONSULTANT #1

Name & Address

Specialty/Role with this Project:

Worked with Lead Firm Before: ___ Yes ___ No

Year Firm Established:

Years of Experience providing requested services

Complete Form 4 for all key personnel assigned to this project for this sub-consultant.

SUB-CONSULTANT #2

Name & Address

Specialty / Role with this Project:

Worked with Lead Firm Before: ___ Yes ___ No

Year Firm Established:

Years of Experience providing requested services

Complete Form 4 for all key personnel assigned to this project for this sub-consultant.

SUB-CONSULTANT #3

Name & Address

Specialty / Role with this Project:

Worked with Lead Firm Before: ___ Yes ___ No

Year Firm Established:

Years of Experience providing requested services

Complete Form 4 for all key personnel assigned to this project for this sub-consultant.

FORM NO. 3: EXPERIENCE/REFERENCES

Work by Service Provider/Firm (including any subcontractors or Joint-Venture companies) that best illustrate current qualifications relevant to the City's project that has been/is being accomplished by personnel during the past five (5) years that shall be assigned to the City's project. List no more than ten (10) total projects:

Project Name & Location: Tax-exempt Lease Purchase Financing, Leawood, KS

Completion Date (Actual or Estimated): 1. October 2019 2. December 2020 3. February 2021 4. February 2022

Project Owners Name & Address: City of Leawood, Kansas, 4800 Town Center Drive, Leawood, KS 66211

Project Owner's Contact Person, Title & Telephone Number: 1-3. Dawn Long, Finance Director (Retired)
4. Loretta Morgan, Accounting Manager, 913-663-9125

Estimated Cost (in Thousands) for Entire Project: \$ 1. \$1,010,000 2. \$743,000 3. \$737,000 4. \$781,000

Estimated Cost (in Thousands) for work performed by responsible Service Provider/Firm: \$ N/A

Scope of Entire Project: (Please give quantitative indications wherever possible).

Provided four (4) tax-exempt lease purchase financing contracts for the City for fire apparatus with 100% prepayment structure.

Nature of Service Provider's/Firm's responsibility in project: (Please give quantitative indications wherever possible).

Provided financing contracts for the City.

Service Provider's/Firm's Personnel (Name/Project Assignment) who worked on the stated project that shall be assigned to the City's project:

Frank Hill, Officer - Clayton Holdings, Senior Vice President, Tax-Exempt Leasing and Finance &
Ashley Stout Officer – Clayton Holdings, Equipment Finance Sales Associate, Leasing and Finance – Commerce Bank
Handled the lease process, data collection, proposal preparation, funding/closing, and client/vendor relations.
Worked directly with the customer to meet the customer's financial requirements.

FORM NO. 3: EXPERIENCE/REFERENCES

Work by Service Provider/Firm (including any subcontractors or Joint-Venture companies) that best illustrate current qualifications relevant to the City's project that has been/is being accomplished by personnel during the past five (5) years that shall be assigned to the City's project. List no more than ten (10) total projects:

Project Name & Location: Tax-exempt Lease Purchase Financing, Manhattan, KS

Completion Date (Actual or Estimated): September 2021

Project Owners Name & Address: City of Manhattan, Kansas, 1101 Poyntz Ave., Manhattan, KS 66502

Project Owner's Contact Person, Title & Telephone Number: Rebecca Doehling, Treasurer, 785-587-2487

Estimated Cost (in Thousands) for Entire Project: \$ 1,050,000

Estimated Cost (in Thousands) for work performed by responsible Service Provider/Firm: \$ N/A

Scope of Entire Project: (Please give quantitative indications wherever possible).

Provided One (1) tax-exempt lease purchase financing contracts for the City for fire apparatus with 100% prepayment structure.

Nature of Service Provider's/Firm's responsibility in project: (Please give quantitative indications wherever possible).

Provided financing contract for the City.

Service Provider's/Firm's Personnel (Name/Project Assignment) who worked on the stated project that shall be assigned to the City's project:

Frank Hill, Officer - Clayton Holdings, Senior Vice President, Tax-Exempt Leasing and Finance &
Ashley Stout Officer – Clayton Holdings, Equipment Finance Sales Associate, Leasing and Finance – Commerce Bank
Handled the lease process, data collection, proposal preparation, funding/closing, and client/vendor relations.
Worked directly with the customer to meet the customer's financial requirements.

FORM NO. 3: EXPERIENCE/REFERENCES

Work by Service Provider/Firm (including any subcontractors or Joint-Venture companies) that best illustrate current qualifications relevant to the City's project that has been/is being accomplished by personnel during the past five (5) years that shall be assigned to the City's project. List no more than ten (10) total projects:

Project Name & Location: Tax-exempt Lease Purchase Financing, Hutchinson, KS

Completion Date (Actual or Estimated): September 2021

Project Owners Name & Address: City of Hutchinson, Kansas, 125 E. Ave. B, Hutchinson, KS 67504

Project Owner's Contact Person, Title & Telephone Number: Angela Richard, Finance Director, 620-694-2784

Estimated Cost (in Thousands) for Entire Project: \$ 1,500,000

Estimated Cost (in Thousands) for work performed by responsible Service Provider/Firm: \$ N/A

Scope of Entire Project: (Please give quantitative indications wherever possible).

Provided One (1) tax-exempt lease purchase financing contracts for the City for fire apparatus with 100% prepayment structure.

Nature of Service Provider's/Firm's responsibility in project: (Please give quantitative indications wherever possible).

Provided financing contract for the City.

Service Provider's/Firm's Personnel (Name/Project Assignment) who worked on the stated project that shall be assigned to the City's project:

Frank Hill, Officer - Clayton Holdings, Senior Vice President, Tax-Exempt Leasing and Finance &
Ashley Stout Officer – Clayton Holdings, Equipment Finance Sales Associate, Leasing and Finance – Commerce Bank
Handled the lease process, data collection, proposal preparation, funding/closing, and client/vendor relations.
Worked directly with the customer to meet the customer's financial requirements.

FORM NO. 3: EXPERIENCE/REFERENCES

Work by Service Provider/Firm (including any subcontractors or Joint-Venture companies) that best illustrate current qualifications relevant to the City's project that has been/is being accomplished by personnel during the past five (5) years that shall be assigned to the City's project. List no more than ten (10) total projects:

Project Name & Location: Tax-exempt Lease Purchase Financing, Garden City, KS

Completion Date (Actual or Estimated): April 2022

Project Owners Name & Address: The City of Garden City, Kansas, 301 North 8th St., Garden City, KS 67846

Project Owner's Contact Person, Title & Telephone Number: Jared Kuhlmann, Finance Director, 620-276-1100

Estimated Cost (in Thousands) for Entire Project: \$ 1,270,000.00

Estimated Cost (in Thousands) for work performed by responsible Service Provider/Firm: \$ N/A

Scope of Entire Project: (Please give quantitative indications wherever possible).

Provided One (1) tax-exempt lease purchase financing contracts for the City for fire apparatus with 100% prepayment structure.

Nature of Service Provider's/Firm's responsibility in project: (Please give quantitative indications wherever possible).

Provided financing contract for the City.

Service Provider's/Firm's Personnel (Name/Project Assignment) who worked on the stated project that shall be assigned to the City's project:

Frank Hill, Officer - Clayton Holdings, Senior Vice President, Tax-Exempt Leasing and Finance & Ashley Stout Officer – Clayton Holdings, Equipment Finance Sales Associate, Leasing and Finance – Commerce Bank Handled the lease process, data collection, proposal preparation, funding/closing, and client/vendor relations. Worked directly with the customer to meet the customer's financial requirements.

FORM NO. 3: EXPERIENCE/REFERENCES

Work by Service Provider/Firm (including any subcontractors or Joint-Venture companies) that best illustrate current qualifications relevant to the City's project that has been/is being accomplished by personnel during the past five (5) years that shall be assigned to the City's project. List no more than ten (10) total projects:

Project Name & Location: Tax-exempt Lease Purchase Financing, Sedgwick County, KS

Completion Date (Actual or Estimated): 1. October 2019 2. December 2022 3. February 2024

Project Owners Name & Address: Sedgwick County, Kansas, 100 N. Broadway, Wichita, KS 67202

Project Owner's Contact Person, Title & Telephone Number: Brent Shelton, Deputy Chief Financial Officer, 316-660-9231

Estimated Cost (in Thousands) for Entire Project: \$ 1. \$631,000 2. \$475,000 3. \$527,000

Estimated Cost (in Thousands) for work performed by responsible Service Provider/Firm: \$ N/A

Scope of Entire Project: (Please give quantitative indications wherever possible).

Provided three (3) tax-exempt lease purchase financing contracts for the County for fire apparatus.

Nature of Service Provider's/Firm's responsibility in project: (Please give quantitative indications wherever possible).

Provided financing contracts for the County.

Service Provider's/Firm's Personnel (Name/Project Assignment) who worked on the stated project that shall be assigned to the City's project:

Frank Hill, Officer - Clayton Holdings, Senior Vice President, Tax-Exempt Leasing and Finance & Ashley Stout Officer – Clayton Holdings, Equipment Finance Sales Associate, Leasing and Finance – Commerce Bank Handled the lease process, data collection, proposal preparation, funding/closing, and client/vendor relations. Worked directly with the customer to meet the customer's financial requirements.

FORM NO. 4: RESUMES OF KEY PERSONNEL

Brief resume of key persons, specialists, and individual service providers that shall be assigned to the City project:

a. Name and Title:

Jason Boyer, Vice President - Commerce Bank, Frank Hill, Officer - Clayton Holdings, LLC, Senior Vice President - Commerce Bank, Ashley Stout, Officer - Clayton Holdings, LLC, Asst. Vice President - Commerce Bank

b. Project Assignment:

Tax-Exempt Lease Purchase Financing

c. Name of Service Provider/Firm with which associated:

Clayton Holdings, LLC - An equity subsidiary of Commerce Bank

d. Years of Experience:

With this service provider/firm _____ other service providers/firms _____

Jason Boyer has 24 years of cumulative banking experience - 23 years with Commerce Bank and 1 year with another financial institution. Frank Hill has 37 years of cumulative banking experience - 14 years with Commerce Bank and 23 years with other institutions.

Ashley Stout has 18 years of cumulative banking experience - 12 years with Commerce Bank and 6 years with other institutions.

e. Education: Degree(s)/Year/Specialization: Jason earned a Bachelor of Business Administration (Majors: Business Management, Management Information Systems) in 1998 and a Master of Business Administration (Major: Finance) in 2001 from the University of Oklahoma.

Frank earned a Bachelor of Science (Major: Biology, Minor: Chemistry) in 1983 from Wichita State University.

Ashley earned a Bachelor of Business Administration with an emphasis in Finance and a Minor in Marketing in 2010 from Wichita State University.

f. Current Registration(s):

Not Applicable

g. Other Experience & Qualifications relevant to the proposed project:

Commerce Bank has a dedicated Public Finance Group that has 40+ years of experience working with municipalities in the State of Missouri. Commerce Bank, through its Clayton Holdings entity, in January 2021 was awarded a \$5,000,000 General Obligation Bond refunding by the City of Lee's Summit. Commerce Bank's Capital Markets Group (Mark Hammett) also has executed \$24,000,000 in bond trades with the City of Lee's Summit in previous years. Commerce Bank, Clayton Holdings, LLC, and CBI Equipment Finance, Inc., its leasing division, have provided funding for governmental entities across the entire footprint of the Bank. The tax-exempt portfolio is currently in excess of \$162 million. The Bank possesses the necessary capital, experience, and product knowledge to meet and exceed the requirements necessary for the proposed transaction.



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(314) 746-3678

vii. *Project Approach Narrative.*

The following is the sequence of events in which will occur for the finance process, from award of the transaction to closing:

1. Clayton Holdings, LLC receives a Notice of Award from the City.
2. The City will provide all available information on equipment to be financed (quotes, proposals, invoices, delivery dates, etc.) City must request from the Vendor and provide to Clayton Holdings, LLC Payment and Performance Bonds listing Clayton Holdings, LLC as “addition insured” under a Dual Obligee Rider
3. Clayton Holdings, LLC will provide a draft of the Lease contracts to the City for execution.
4. The City will provide legal comments to the documents provided, if any.
5. Clayton Holdings, LLC will review legal comments and provide any additional comments to required documents, if any.
6. Clayton Holdings, LLC will send the City a final form of the Lease documents for execution by the City. The documents will be delivered to Clayton Holdings, LLC once they are signed.
7. Clayton Holdings, LLC will review the documents for acceptance including Payment and Performance Bonds required for 100% prepayment structure on ambulances.
8. Clayton Holdings, LLC will fund the transaction on the specified funding date, assuming credit and document receipt and approval.



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St. Louis, Missouri 63105-1797
(314) 746-3678

viii. *Fee Proposal.*

07/02/2024

DeeDee Tschirhart
Procurement Officer
City of Lee's Summit, Missouri
220 SE Green Street
Lee's Summit, MO 64063

Dear Ms. Tschirhart:

On behalf of Clayton Holdings, LLC, we would like to offer the following lease-purchase proposal for your consideration:

Type of Financing:	A tax-exempt, State and Municipal Lease/ Purchase Agreement (the "Lease").
Lessor:	Clayton Holdings, LLC – An equity subsidiary of Commerce Bank.
Lessee:	City of Lee's Summit, Missouri
Equipment:	Nine (9) New Custom Horton Ambulances
Total Finance Amount:	Up to \$4,000,000.00 <i>*Expected to be \$3,732,631.00.</i>
Commencement Date:	On or before 09/15/2024
Base Term:	7 years
Interest Rate:	4.15% fixed, based upon rates as of 06/03/2024*. Rate will adjust according to the formula provided in the "Interest Rate Adjustment" section below.

Interest Rate Adjustment: The above quoted interest rate is based on a spread over the Four (4) year Treasury rate (the "Index"). For Purposes of this proposal, the Four (4) year Treasury rate as of 06/03/2024* is 4.58%.

The indexed or floating rate will be calculated according to the following formula:

Then Current Four (4) year Treasury rate plus 68 bps x .79 = Transaction Rate

Example:

Rate Index Used:	Treasury
Source of the Index	UST
4 year Treasury – June 03, 2024*	4.58%
Mark up to Treasury in Basis Points	68 basis points
X .79 = Lease – Fixed Interest Rate	4.15%

**06/01/2024 was a Saturday, therefore rate provided is based upon Treasury rates as of the next business day, 06/03/2024.*

Interest will be computed on the basis of an Actual/360-day year and must be exempt from federal income taxation.

Payment Amount: Please see attached amortization Schedule - 7 payments, 2 interest only payments and 5 equal principal and interest payments. First interest only payment due 1 year after closing.

**Payment amounts are based upon a closing date of 09/15/2024 and total finance amount of \$4,000,000 and will change upon determination of final closing date, payment dates, and total finance amount.*

***3rd payment of principal and interest based upon on closing date of 09/15/2024 and a payment date of 11/15/2026. Date of third payment is to be determined and must be set prior to final documentation and funding/closing.*

Payment Frequency: Annual/Arrears

**The first interest only payment is due 1 year after closing.*

Documentation: Shall be provided by Lessor. Funding of the Lease is contingent, in part, upon receipt and review by Lessor of executed Lease documentation in form acceptable to Lessor and Lessee.

Early purchase Option: In the event Lessee desires to prepay this lease, they may do so in whole, but not in part at a premium of the then current outstanding principal balance, calculated as follows; 3% in year (1), 2% in year (2), and 1% in each year thereafter until maturity. **There is no prepayment penalty if Lessee is using funds other than proceeds of a grant or an actual or anticipated refinancing.**

General Terms: This financing structure, rate and payment are based on the Transaction being designated as Tax Exempt and Non-Bank Qualified under the IRC Section 103 and 265 b (3). The Lessee does intend to issue more than \$10 million dollars in tax-exempt obligations in the current calendar year.

- Titles/Liens:** Lessor shall have a perfected security interest in the Equipment. Titled equipment will require a 1st lien position on the MSO and Title. *Lessor must be listed as 1st Lien holder at the time of the chassis prepayment for chassis prepayment structures. Lessor must be listed as an insured party on the Payment and Performance Bonds (required) under a "dual obligee" rider for 100% prepayment structures on apparatus.*
- Non-appropriation:** The Lease shall provide for Lessee to terminate the agreement at the end of any fiscal period if insufficient funds are available to make the scheduled Rental Payments due in the following fiscal period.
- Escrow:** Upon closing, funds may be disbursed into an escrow account to be maintained by Lessor's designated as escrow agent. Upon final delivery and acceptance of all of the equipment, and receipt of Lessee's authorization to release funds, escrow agent shall disburse payment to the vendors. Terms, conditions, and procedures regarding escrow and escrow agreement are subject to mutual approval by Lessee and Lessor. It is intended that the interest earnings on un-disbursed funds shall accrue for the benefit of Lessee. There is a **\$250 fee** for the escrow account. **This fee is not applicable if an escrow is not required.**
- Additional Fees:** None are expected, however, if the City elects to use an escrow for the transaction, a one-time \$250 escrow fee would be due from the Lessee to the Escrow Agent. This fee is not applicable if an escrow is not required.
- Net Lease:** The lease shall be a net lease in all respects, and Lessee shall be responsible for all fees, charges, assessments or other costs and expenses of every nature whatsoever arising from the lease of the Equipment.
- Not a Commitment:** The terms set forth herein reflect a proposed, preliminary structure and are subject to final credit approval by Clayton Holdings, LLC and the negotiation of mutually acceptable documentation. These terms are being provided to the Lessee with the understanding that neither the terms nor their substance shall constitute a definitive agreement or an exhaustive statement of all terms and conditions which may ultimately be included in a transaction among Lessee and Lessor. This is a proposal only and not a commitment to lend. Final approval and funding of the transaction is based on a formal credit review by Lessor, including final lease documentation acceptable to both Lessee and Lessor.

This proposal is not intended to, and does not create, in any way, a legally binding or any other type of commitment or obligation on the part of Clayton Holdings, LLC, or any of its/their subsidiaries, and/or any of its/their employees. Information regarding this proposal, including the financial statements of Lessee necessary to complete the credit process, may be provided to third party funding sources in either written or electronic format.

The representatives shown below are “not” Municipal advisors, financial advisors, agents or fiduciaries to any person or entity. Clayton Holdings, LLC and its representatives are responding to an RFP issued by the Lessee. Lessee acknowledges that it is entitled to engage municipal advisory services should it elect to do so. Clayton Holdings, LLC is acting for its own loan account; this communication consists solely of general information under which Clayton Holdings, LLC may be willing to fund a loan. Thank you for the opportunity to offer this proposal. We appreciate your consideration and look forward to your favorable response. Should you have any questions, please do not hesitate to contact us.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Jason Boyer', with a long horizontal flourish extending to the right.

Jason Boyer, Vice President – Commerce Bank
Eastern Jackson County Business Banking
905 SE Third Street
Lee’s Summit, MO 64063
Phone: 816.234.8907
Email: Jason.Boyer@commercebank.com

A handwritten signature in black ink, appearing to read 'Frank D. Hill', with a stylized, cursive script.

Frank D. Hill, Officer - Clayton Holdings, LLC
Senior Vice President, Tax Exempt-Leasing &
Finance – Commerce Bank
727 Poyntz Avenue
Manhattan, KS 66502
Phone: 785.587.1541
Email: Frank.Hill@commercebank.com

Compound Period: Annual

Nominal Annual Rate: 4.15% - Estimated based upon rates as of 06/03/2024.
Rate will adjust according to the formula provided in the proposal.

CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1 Loan	9/15/2024	4,000,000.00	1		
2 Payment	9/15/2025	Interest Only	2	Annual	9/15/2026
3 Payment	11/15/2026	874,927.93	1		
4 Payment	9/15/2027	866,344.72	4	Annual	9/15/2030

AMORTIZATION SCHEDULE - Normal Amortization, 360 Day Year

	Date	Payment	Interest	Principal	Balance
Loan	9/15/2024				4,000,000.00
2024 Totals		0.00	0.00	0.00	
1	9/15/2025	166,000.00	166,000.00	0.00	4,000,000.00
2025 Totals		166,000.00	166,000.00	0.00	
2	9/15/2026	166,000.00	166,000.00	0.00	4,000,000.00
3	11/15/2026	874,927.93	28,127.78	846,800.15	3,153,199.85
2026 Totals		1,040,927.93	194,127.78	846,800.15	
4	9/15/2027	866,344.72	110,502.14	755,842.58	2,397,357.27
2027 Totals		866,344.72	110,502.14	755,842.58	
5	9/15/2028	866,344.72	99,490.33	766,854.39	1,630,502.88
2028 Totals		866,344.72	99,490.33	766,854.39	
6	9/15/2029	866,344.72	67,665.87	798,678.85	831,824.03
2029 Totals		866,344.72	67,665.87	798,678.85	
7	9/15/2030	866,344.72	34,520.69	831,824.03	0.00
2030 Totals		866,344.72	34,520.69	831,824.03	
Grand Totals		4,672,306.81	672,306.81	4,000,000.00	

Last interest amount decreased by 0.01 due to rounding.



Sent via Email: Frank.Hill@CommerceBank.com

[Date]

LESSEE CONTACT NAME: _____

LESSEE CONTACT TITLE: _____

LESSEE: _____

PRIMARY PHYSICAL STREET ADDRESS: _____

Re: Financing for

Dear _____:

Please find the enclosed documentation for your review and completion. An instruction sheet has been included as a guide to assist you with the process. Once you have completed and returned the required documentation to Clayton Holdings, LLC the transaction can be funded. The documentation has been filled out according to the terms and amount shown on the formal proposal. If you have questions or comments please call.

Clayton Holdings, LLC is listed as Lessor in this State and Municipal Lease/Purchase Agreement. **For your convenience, we have listed the documentation that we require before closing:**

- The Lease WITH ALL SCHEDULES EXECUTED CORRECTLY**
 - 8038-G IRS Form & Questionnaire**
 - MSO & Title Application listing Clayton Holdings, LLC as 1st Lienholder**
 - Initial Payment of \$[_____] payable to Clayton Holdings, LLC**
 - Payment and Performance bond with dual obligee rider, listing Clayton Holdings, LLC as additional obligee**
-

If you have any questions regarding the above documentation please feel free to contact me.

Sincerely,

Municipal Documentation Administrator
314-746-3752

Documentation Instructions

Please complete using **BLUE INK** and return all original documents via **FedEx or Certified Mail** to:
Clayton Holdings, LLC
8000 Forsyth Blvd., Suite 510, St. Louis, MO 63105
Call 314-746-3752 with any questions during completion

State and Municipal Lease/ Purchase Agreement

- An individual that is authorized by the Lessee should sign on the first space provided.
- The Federal Tax ID number should be confirmed.

Schedule A – Description of the Equipment

- Fill in the description of equipment, unless already completed.
- Type in Physical Address of the location where the Equipment will be housed upon delivery.
- Authorized individual should sign and date where indicated.

Schedule B - Delivery and Acceptance Certificate

- Authorized individual that has signed the Agreement should sign and then type her or his name and title below, unless already completed *with the final disbursement request* from the Escrow account.

Schedule C – Amortization.Payment Schedule

- Sign and Date where indicated.

Schedule D – Opinion of Counsel

- The attached is a "Draft" form of the Opinion. This should be provided to your counsel along with a copy of the lease. Your Counsel should provide an original of this Opinion on their letterhead, signed and dated. The Date of the Opinion should be on or after the date the lease is signed by the Lessee.

Schedule E-1 - Resolution

- Resolution should be signed by the presiding officer and Attested to by the Secretary or Clerk of the Board (the "Witness").

Schedule E-2 – Incumbency and Authorization Certificate

- In section A list all individuals authorized to sign for the Board and include the signature of all authorized signers of the Lessee. This should include any persons who will be signing forms, including payment request forms for the Escrow account.
- In Section B list all individuals authorized to confirm disbursement information.

Schedule F – Essential Use/Source of Funds Letter

- Please complete where indicated, List the intended use of equipment, the useful life of equipment, the source of funds and then sign and date where indicated.
- Witness should sign where indicated.

Schedule G – Proof of Insurance

- Please complete the insurance agent information.
- Please sign and date the form.
- Contact your insurance provider for a certificate of insurance naming Clayton Holdings, LLC as Loss Payee under the property damage policy, and as Additional Insured under the general liability policy.

Schedule H – Authorization for Preauthorized Payments (if utilizing this free service)

- Please include a voided check or deposit slip.
- Please sign and date the form.

8038-G IRS Form and Questionnaire

- Verify Lessee's Federal Identification number in Part 1, box 2 of the 8038G form.
- Sign, date and type the name of the individual signing this document, unless already completed.
- Verify information on Questionnaire, review instructions, and sign and date where indicated.

Escrow Agreement

- Authorized individual should sign where indicated.
- *The ***Form of Payment Request and Acceptance Certificate*** (2 pages) should be kept. Authorized individual should sign and submit this form *when requesting disbursements* from the Escrow account.
- **The ***Final Acceptance Certificate*** should be kept. Authorized individual should sign and submit this form *with the final disbursement request* from the Escrow account.

W-9 Taxpayer Identification

- Please verify the Taxpayer ID number, sign and date where indicated.

Titles

- Please make sure Clayton Holdings, LLC, 8000 Forsyth Blvd., Suite 510, St. Louis, MO 63105 is listed as 1st lienholder.

SAMPLE



CLAYTON HOLDINGS, LLC

STATE & MUNICIPAL LEASE/PURCHASE AGREEMENT

Lease Number: _____ - _____

This State and Municipal Lease/Purchase Agreement (the "Lease") is made and entered into on this, the _____ day of _____, 2018 by and between Clayton Holdings, LLC with offices at 8000 Forsyth Boulevard, Suite 510, St. Louis, Missouri 63105 (together with its successors and assigns, herein called the "Lessor"), and _____ with its principal address at _____, _____, _____ (together with its permitted successors and assigns, herein called the "Lessee"), wherein it is agreed as follows:

- LEASE OF EQUIPMENT:** Lessee hereby requests Lessor to acquire the equipment described in Schedule A attached hereto and made a part hereof. Subject to the terms and conditions hereof, Lessor agrees to lease to Lessee and Lessee agrees to lease from Lessor the equipment described in Schedule A, with all replacements, repairs, additions and accessories incorporated therein or affixed thereto (herein collectively called the "Equipment").
- DELIVERY AND ACCEPTANCE:** Lessee agrees to order the Equipment on behalf of Lessor from the supplier of such Equipment. Lessor will not be liable for specific performance of this Lease or for damages if for any reason the supplier delays or fails to fill the order. Lessee will cause the Equipment to be delivered at the location specified in Schedule A (the "Equipment Location"). Lessee is solely responsible for the selection of the Equipment and the vendor from which the Equipment is purchased. Lessee will pay all transportation and other costs, if any, incurred in connection with the delivery and installation of the Equipment. Any delay in such delivery will not affect the validity of this Lease. To the extent funds are deposited with a bank or trust company in an escrow fund for the acquisition of the Equipment, such funds shall be disbursed as provided in the agreement pursuant to which such fund is established (the "Escrow Agreement"). Lessee will immediately accept the Equipment as soon as it has been delivered and is operational, or as soon as any manufacturer or vendor pre-acceptance test period has expired. In the event the Equipment is not accepted by Lessee within thirty (30) days from the date of its delivery, Lessor, at Lessor's sole option, will have the right to terminate this Lease. Lessee will evidence its acceptance of the Equipment by executing and delivering to Lessor a delivery and acceptance certificate in the form of Schedule B attached hereto and made a part hereof (the "Acceptance Certificate"). Lessee hereby authorizes the Lessor to add to this Lease and to any other description of the Equipment the serial number of each item of Equipment, when available.
- TERM:** This Lease will become effective upon the execution hereof by Lessee and Lessor. Lessee's obligation to pay rent under this Lease will commence on the date that funds are advanced by Lessor to pay the vendor of the Equipment or are deposited with a bank or trust company in an escrow fund pursuant to the Escrow Agreement, if any (the "Start Date"), and will extend for an initial term through the end of Lessee's fiscal year containing the Start Date. The term of this Lease is subject to renewal on a year-to-year basis for the number of annual fiscal periods necessary to comprise the lease term as set forth in Schedule C attached hereto and made a part hereof (the "Lease Term"). At the end of the initial term and any renewal term, Lessee will be deemed to have exercised its option to renew this Lease for the next annual renewal term, unless Lessee has exercised its right to terminate the Lease pursuant to Section 8 below.
- RENT:** Lessee agrees to pay Lessor the rental payments for the Equipment as set forth in Schedule C (the "Rental Payments"). A portion of each Rental Payment is paid as and represents the payment of interest as set forth in Schedule C. The Rental Payments will be payable without notice or demand, at the office of Lessor (or such other place as Lessor may designate in writing, from time to time) and will commence on the Start Date. For clarity, Lessee hereby authorizes Lessor to update Schedule C with the Start Date and actual due dates for Rental Payments based upon the frequency of payments stated on Schedule C. Any notice, invoicing, purchase orders, quotations or other forms or procedures requested by Lessee in connection with payment will be fully explained and provided to Lessor sufficiently in advance of the payment due date for the completion thereof by Lessor prior to such payment date, but none of the foregoing will be a condition to Lessee's obligation to make any such payment. If Lessee fails to pay any Rental Payment or any other sums under this Lease within ten (10) days when the same becomes due, Lessee shall pay to Lessor (in addition to and not in lieu of other rights of Lessor) a late charge equal to the greater of five (5%) percent of such delinquent amount or Twenty-Five Dollars (\$25.00), but in any event not more than the maximum amount permitted by law. Such late charge shall be payable by Lessee upon demand by Lessor and shall be deemed rent hereunder. Lessee acknowledges and agrees that the late charge (i) does not constitute interest, (ii) is an estimate of the costs Lessor will incur as a result of the late payment and (iii) is reasonable in amount. Lessor and Lessee understand and intend that the obligation of Lessee to pay Rental Payments hereunder will constitute a current expense of Lessee and will not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by Lessee. EXCEPT AS SPECIFICALLY PROVIDED IN SECTION 8 HEREOF, LESSEE'S OBLIGATION TO MAKE RENTAL PAYMENTS SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS AND WILL NOT BE SUBJECT TO ANY SETOFF, DEFENSE, COUNTERCLAIM, ABATEMENT OR RECOUPMENT FOR ANY REASON WHATSOEVER.

Notwithstanding the foregoing, the interest portion of the Rental Payments on Schedule C will be adjusted, and Lessor will provide Lessee a revised Schedule C reflecting such adjustment in the event that it is determined that any of the interest portions of Rental Payments set forth in Schedule C may not be excluded from Lessor's gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). Lessee agrees that the interest portion of the Rental Payments on Schedule C will be adjusted commencing with the first day of the next succeeding fiscal year of the Lessee, but only if this Lease is renewed for such fiscal year, and thereafter, so that Lessor will be in the same after-tax position that it would have been in had such payment been excluded from the gross income of Lessor under Section 103 of the Code.

5. **AUTHORITY AND AUTHORIZATION:** Lessee represents, warrants and covenants that (a) it will do or cause to be done all things necessary to preserve and keep in full force and effect (i) its existence, and (ii) subject to Section 8 hereof, this Lease; (b) it has complied with all bidding and budgeting requirements where necessary and by due notification has presented this Lease to Lessee's governing body for approval and adoption as a valid obligation on its part and that all requirements have been met and procedures have been followed to ensure the enforceability of this Lease; (c) it has sufficient appropriations or other funds available to pay all amounts due hereunder for the current fiscal year period; (d) no event has occurred and no condition exists which, upon the execution of this Lease or with notice or the passage of time or both, would constitute a default under any debt, revenue or purchase obligation which it has issued or to which it is a party (the "Obligation") nor has it been in default under any Obligation at any time during the past five (5) years, and (e) no lease, rental agreement or contract for purchase, to which Lessee has been a party, at any time during the past five (5) years, has been terminated by Lessee as a result of insufficient funds being appropriated in any fiscal period.

6. **REPRESENTATIONS, COVENANTS AND WARRANTIES REGARDING TAX-EXEMPT STATUS:** Lessee warrants and covenants that (i) it is a state, or a political subdivision thereof, within the meaning of Section 103 of the Code, and the related regulations and rulings thereunder; (ii) subject to Section 8 hereof, Lessee intends that its obligation under this Lease will constitute an enforceable obligation issued by or on behalf of a state, or political subdivision thereof, such that the interest portions of Rental Payments as shown in Schedule C, will not be includable in the gross income of Lessor for the purposes of federal income taxation; (iii) this Lease represents a valid deferred payment obligation of Lessee for the amount herein set forth; (iv) Lessee has the legal capacity to enter into this Lease and is not in contravention of any state, county, district, city or town statute, rule, regulation or other governmental provision; (v) during the Lease Term, the Equipment will not be used in a trade or business of any other person or entity; (vi) Lessee will complete and file on a timely basis, Internal Revenue Service form 8038G or 8038GC, as appropriate, in the manner set forth in Section 149(e) of the Code; and (vii) Lessee will not take any action or permit the omission of any action reasonably within its control which action or omission will cause the interest portion of any Rental Payment hereunder to be includable in gross income for federal income taxation purposes.

Lessee hereby designates the Lease as a "qualified tax-exempt obligation" as defined in Section 265(b)(3)(B) of the Code. The aggregate face amount of all tax-exempt obligations (including the Lease, but excluding private activity bonds other than qualified 501(c)(3) bonds) issued or to be issued by Lessee and all subordinate entities thereof during the calendar year in which the Start Date occurs is not reasonably expected to exceed \$10,000,000. Lessee and all subordinate entities thereof will not issue in excess of \$10,000,000 of tax-exempt obligations (including the Lease, but excluding private activity bonds other than qualified 501(c)(3) bonds) during the calendar year in which the Start Date occurs, without first providing Lessor with an opinion of nationally recognized counsel in the area of tax-exempt municipal obligations acceptable to Lessor, that the designation of the Lease as a "qualified tax-exempt obligation" will not be adversely affected.

Lessee further represents as follows:

- (a) The estimated total costs of the Equipment will not be less than the total principal amount of the Rental Payments.
- (b) The Equipment has been ordered or is expected to be ordered within six months of the effective date of this Lease, and the Equipment is expected to be delivered and installed, and the Vendor fully paid, within eighteen months of the effective date of this Lease.
- (c) Lessee has not created or established, and does not expect to create or establish, any sinking fund or other similar fund (i) that is reasonably expected to be used to pay the Rental Payments, or (ii) that may be used solely to prevent a default in the payment of Rental Payments.
- (d) The Equipment has not been, and is not expected to be, sold or otherwise disposed of by Lessee, either in whole or in major part, prior to the final Rental Payment.
- (e) To the best of Lessee's knowledge, information and belief, the above expectations are reasonable.

7. **APPROPRIATIONS AND ESSENTIAL USE:** Lessee reasonably believes that sufficient funds can be obtained to make all Rental Payments during the Lease Term. The responsible financial officer of Lessee will do all things lawfully within his or her power to obtain funds from which the Rental Payments, including any Rental Payments required by Section 4 hereof, may be made, including making provisions for such payments, to the extent necessary, in each proposed annual budget submitted for approval in accordance with applicable procedures of Lessee. Notwithstanding the foregoing, the decision whether or not to budget or appropriate funds or to extend this Lease for any subsequent annual fiscal period is solely within the discretion of the then current governing body of Lessee. Lessee currently intends to make the Rental Payments for the full Lease Term if funds are legally available therefor, and in that regard Lessee represents that (a) the use of the Equipment is essential to its proper, efficient, and economic functioning or to the services that it provides to its citizens; (b) Lessee has an immediate need for and expects to make immediate use of substantially all the Equipment, which need is not temporary or expected to diminish in the foreseeable future; and (c) the Equipment will be used by the Lessee only for the purpose of performing one or more of its governmental or proprietary functions consistent with the permissible scope of its authority.

8. **NONAPPROPRIATION OF FUNDS:** In the event insufficient funds are appropriated and budgeted to pay Rental Payments required by Section 4 hereof and any other amounts payable under this Lease, for any fiscal period in which the Rental Payments for the Equipment are due under this Lease, then, without penalty, liability or expense to Lessee, this Lease will thereafter terminate on the last day of the fiscal period for which appropriations were made, except as to (i) the portions of the Rental Payments herein agreed upon for which funds have been appropriated and budgeted or are otherwise available and (ii) Lessee's other obligations and liabilities under this Lease relating to, accruing or arising prior to such termination. Lessee will, not less than sixty (60) days prior to the end of such applicable fiscal period, in writing, notify Lessor of such occurrence, but failure to give such notice will not prevent such termination. In the event of such termination, Lessee agrees to immediately cease use of the Equipment and peaceably surrender possession of the Equipment to Lessor on the day of such termination, packed for shipment in accordance with manufacturer's specifications and eligible for manufacturer's maintenance, and freight prepaid and insured to any location in the continental United States designated by Lessor, all at Lessee's expense. Lessor may exercise all available legal and equitable rights and remedies in retaking possession of the Equipment. If Lessee fails to cease use and deliver possession of the Equipment to Lessor upon termination of this Lease under this section, the termination shall nevertheless be effective but Lessee shall be responsible for the payment of damages in an amount equal to (a) the portion of Rental Payments thereafter coming due that is attributable to the number of days after the termination during which Lessee fails to cease use and deliver possession of the Equipment and (b) any other loss suffered by Lessor as a result of Lessee's failure to deliver possession of the Equipment.

9. **EXCLUSION OF WARRANTIES; LIMITATIONS OF LIABILITY; DISCLAIMER OF CONSEQUENTIAL DAMAGES:** LESSEE HAS SELECTED BOTH THE EQUIPMENT AND THE VENDOR(S) FROM WHOM LESSOR IS TO PURCHASE THE EQUIPMENT IN RELIANCE HEREON. LESSEE ACKNOWLEDGES AND AGREES THAT THE EQUIPMENT IS OF A SIZE, DESIGN AND CAPACITY SELECTED BY LESSEE, THAT LESSOR IS NOT A MANUFACTURER, VENDOR, DISTRIBUTOR OR LICENSOR OF SUCH EQUIPMENT, AND THAT LESSOR LEASES THE EQUIPMENT AS IS AND HAS NOT MADE, AND DOES NOT HEREBY MAKE, ANY REPRESENTATION, WARRANTY OR COVENANT, EXPRESS OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, CONDITION, QUALITY, DURABILITY, DESIGN, OPERATION, FITNESS FOR USE, OR SUITABILITY OF THE EQUIPMENT IN ANY RESPECT WHATSOEVER OR IN CONNECTION WITH OR FOR THE PURPOSES AND USES OF LESSEE, OR ANY OTHER REPRESENTATION, WARRANTY OR COVENANT OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT THERETO INCLUDING ANY WARRANTIES OF TITLE OR AGAINST INFRINGEMENT OR ANY WARRANTIES ARISING FROM A COURSE OF DEALING, USAGE OR PRACTICE, ALL OF WHICH ARE SPECIFICALLY DISCLAIMED BY LESSOR AND IN NO EVENT SHALL LESSOR BE OBLIGATED OR LIABLE FOR ACTUAL, INCIDENTAL, CONSEQUENTIAL OR OTHER DAMAGES OF OR TO LESSEE OR ANY OTHER PERSON OR ENTITY ARISING OUT OF OR IN CONNECTION WITH THE EQUIPMENT, INCLUDING BUT NOT LIMITED TO THE SALE, LEASE, USE, PERFORMANCE OR MAINTENANCE OF THE EQUIPMENT, INCLUDING INTERRUPTION OF SERVICE, LOSS OF DATA, LOSS OF REVENUE OR PROFIT, LOSS OF TIME OR BUSINESS, OR ANY SIMILAR LOSS, EVEN IF ANY SUCH PERSON IS ADVISED IN ADVANCE OF THE POSSIBILITY OR CERTAINTY OF SUCH DAMAGES AND EVEN IF LESSEE ASSERTS OR ESTABLISHES A FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY PROVIDED IN THIS LEASE.

Lessee acknowledges that neither the original vendor nor licensor of the Equipment (including the salespersons of any of them) is an agent of Lessor, nor are they authorized to waive or alter any terms of this Lease. Lessee hereby waives any claim (including any claim based on strict or absolute liability in tort) it might have against Lessor or any assignee of the Lessor for any loss, damage or expense caused by or with respect to the Equipment. Lessor hereby assigns to Lessee during the Lease Term, to the extent permitted by law and so long as no Event of Default has occurred pursuant to Section 20 below, all manufacturer's warranties, if any, that it may have with respect to the Equipment, and Lessor authorizes Lessee to obtain the customary services furnished in connection with such warranties at Lessee's expense. Lessor authorizes Lessee, to the extent permitted by law, to enforce in its own name any warranty, representation or other claim enforceable against the manufacturer. Lessor assumes no responsibility for shipment, delivery, installation or maintenances, and all claims of Lessee with respect thereto, whether for delay, damage or otherwise, will be made against the manufacturer. Lessor, at its option, may provide in its purchase order that the manufacturer agrees that any of such claims may be made by Lessee directly against the manufacturer. The obligation of Lessee to pay the Rental Payments as defined in Section 4 will not be abated, impaired or reduced by reason of any claims of Lessee with respect to the Equipment, including but not limited to its condition, quality, workmanship, delivery, shipment, installation, defects or otherwise.

10. **TITLE, SECURITY INTEREST:** During the Lease Term, title to the Equipment is deemed to be in Lessee so long as no Event of Default pursuant to Section 20 below has occurred and/or this Lease has not been terminated pursuant to the provisions of Section 8 above, subject to a first priority security interest in the Equipment which is retained by Lessor. Upon the earlier of (i) termination of this Lease in accordance with Section 8 above or (ii) the occurrence of an Event of Default by Lessee pursuant to Section 20 below, title will immediately revert to Lessor free of any right, title or interest of Lessee unless Lessor elects otherwise. In order to secure all of Lessee's obligations hereunder, Lessee hereby (a) to the extent permitted by law, grants to Lessor a first and prior security interest in any and all rights, titles and interest of Lessee in this Lease, the Equipment and in all additions, attachments, accessions, accessories, replacements and improvements thereto, now or hereafter acquired, together with all rents, issues, income, profits and proceeds thereof, including insurance proceeds; (b) agrees that financing statements evidencing Lessor's security interest may be filed; and (c) agrees to execute and deliver all certificates of title and other instruments necessary or appropriate to evidence and perfect such security interest. As further security therefor, Lessee grants to Lessor a first priority security interest in the cash and negotiable instrument from time to time comprising the escrow fund, if any, established under the Escrow Agreement and all proceeds (cash and non-cash) thereof, and agrees with respect thereto that Lessor shall have all the rights and remedies of a secured party.
11. **PERSONAL PROPERTY:** Lessor and Lessee agree that the Equipment is, and will remain, personal property and will not be deemed to be affixed or attached to real property or any building thereon. Notwithstanding the foregoing, for purposes of providing notice to third parties, Lessee agrees that, upon Lessor's request, it will provide the legal description of all real property where any of the Equipment is or will be installed, and Lessee agrees that financing statements evidencing Lessor's security interest may be filed in the real property records. If requested by Lessor, Lessee will, at Lessee's expense, furnish to Lessor landlord or mortgagee waiver with respect to the Equipment.
12. **USE; REPAIRS:** Lessee will use the Equipment in a careful manner for the use contemplated by the manufacturer of the Equipment and will comply with all laws, ordinances, insurance policies and regulations relating to, and will pay all costs, claims, damages, fees and charges arising out of, its possession, use or maintenance. Lessee, at its sole costs and expense, will maintain the Equipment according to the manufacturer's recommended guidelines or the equivalent and meet any and all recertification requirements and will furnish proof of such maintenance, if requested by Lessor and will furnish all needed servicing and parts, which parts will become part of the Equipment. If the Equipment is such as is customarily covered by a maintenance agreement, Lessee will furnish Lessor with a maintenance agreement with a party satisfactory to Lessor.
13. **ALTERATIONS:** Lessee will not make any alterations, additions or improvements to the Equipment without Lessor's prior written consent, and any permitted alteration or attachment which cannot be readily removed without damaging the Equipment's originally intended function or value will become part of the Equipment.
14. **LOCATION; INSPECTION:** The Equipment will not be removed from, or if the Equipment consists of rolling stock, its permanent base will not be changed from the Equipment Location without Lessor's prior written consent, which consent will not be unreasonably withheld. Lessor will be entitled to enter upon the Equipment Location or elsewhere during reasonable business hours to inspect the Equipment or observe its use and operations.
15. **LIENS AND TAXES:** Lessee will keep the Equipment free and clear of all levies, liens and encumbrances except those created under this Lease. Lessee will pay, when due, all charges and taxes (federal, state and local) which may now or hereafter be imposed upon the ownership, leasing, rental, sale, purchase, possession or use of the Equipment, excluding however, all taxes on or measured by Lessor's income. If Lessee fails to pay said charges and taxes when due, Lessor will have the right, but will not be obligated, to pay said charges and taxes. If Lessor pays any charges or taxes for which Lessee is responsible or liable under this Lease, Lessee will, upon demand, reimburse Lessor therefor.
16. **RISK OF LOSS; DAMAGE; DESTRUCTION:** Lessee assumes all risk of loss of or damage to the Equipment from any cause whatsoever, and no such loss of or damage to the Equipment will relieve Lessee of the obligation to make the Rental Payments or to perform any other obligation under this Lease. In the event of damage to any item of Equipment, Lessee will immediately place the same in good repair (the proceeds of any insurance recovery will be applied to the cost of such repair). If Lessor determines that any item of Equipment is lost, stolen, destroyed or damaged beyond

repair, Lessee, at the option of Lessor, will (a) replace the same with like equipment in good repair; or (b) on the next Rental Payment date pay to Lessor (i) all amounts owed by Lessee under this Lease, including the Rental Payment due on such date, and (ii) an amount not less than the balance of the Rental Payments then remaining unpaid hereunder. In the event that Lessee is obligated to make such payment with respect to less than all of the Equipment, Lessor will provide Lessee with the pro rata amount of the Rental Payment and the balance of the Rental Payments then remaining unpaid hereunder, as applicable, to be made by Lessee with respect to the Equipment which has suffered the event of loss.

- 17. INSURANCE:** Lessee will, at its expense, maintain at all times during the Lease Term (a) fire and extended coverage, public liability and property damage insurance with respect to the Equipment in such amounts, covering such risks, and with such insurers as will be satisfactory to Lessor. In no event will the insurance limits be less than the greater of (i) an amount equal to the balance of the Rental Payments then remaining for the Lease Term or (ii) any minimum required by any co-insurance provisions of such insurance, (b) liability insurance that protects Lessor from liability in all events in form and amount satisfactory to Lessor, and (c) workers' compensation coverage as required by the laws of the state in which Lessee is located. Each insurance policy required by clause (b) of the preceding sentence will name Lessee as an insured and Lessor or its assigns as an additional insured and loss payee, as appropriate, and each insurance policy required by the preceding sentence will contain a clause requiring the insurer to give Lessor at least thirty (30) days prior written notice of any alteration in the terms of such policy or the cancellation thereof. The proceeds of any such policies will be payable to Lessee and Lessor or its assigns, as their interest may appear. Upon acceptance of the Equipment and upon each insurance renewal date, Lessee will deliver to Lessor a certificate evidencing such insurance. In the event of any loss, damage, injury or accident involving the Equipment, Lessee will promptly provide Lessor with written notice hereof and make available to Lessor all information and documentation relating thereto. Notwithstanding the foregoing, with Lessor's prior written consent, Lessee may self-insure against any and all risks for which insurance is required.
- 18. ADVANCES:** In the event Lessee fails to maintain the insurance required by this Lease or fails to keep the Equipment in good repair and operating condition, Lessor may (but will be under no obligation to) purchase the required policies of insurance and pay the premiums on the same and make such repairs or replacements as are necessary and pay the cost thereof. All amounts so advanced by Lessor will become additional rent payable by Lessee. Lessee agrees to pay such amounts with interest thereon from the date paid at the rate of 1.5% per month or the maximum permitted by law, whichever is less. Unless Lessee provides evidence of the insurance coverage required by this Lease, Lessor may purchase insurance at Lessee's expense to protect Lessor's interests hereunder. This insurance may, but need not, protect Lessee's interests. The coverage that Lessor may purchase may not pay any claim that Lessee may make or any claim that may be made against Lessee in connection with the Equipment. Lessee may later cancel any insurance purchased by Lessor, but only after providing evidence that Lessee has obtained insurance as required by this Lease. If Lessor purchases insurance for the Equipment, Lessee will be responsible for the costs of that insurance, including the insurance premium, interest and any other charges Lessor may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance will be added as additional rent. The costs of the insurance may be more than the cost of insurance Lessee may be able to obtain on its own.
- 19. INDEMNIFICATION:** To the extent permitted by law, and solely from legally available funds, Lessee agrees to indemnify Lessor against, and hold Lessor harmless from, any and all claims, actions, proceedings, expenses, damages, liabilities or losses (including, but not limited to, attorneys' fees and court costs) arising in connection with the Equipment, including, but not limited to, its selection, purchase, delivery, possession, use, operation or return and the recovery of claims under insurance policies thereon.
- 20. EVENTS OF DEFAULT:** The Term "Event of Default" as used in this Lease, means the occurrence of any one or more of the following events: (a) Lessee fails to make any Rental Payment (or any other payment) as it becomes due in accordance with the terms of this Lease, and any such failure continues for ten (10) days after the date thereof; (b) Lessee fails to perform or observe any other covenant, condition or agreement to be performed or observed by it hereunder and such failure is not cured within ten (10) days after written notice thereof by Lessor; (c) the discovery by Lessor that any statement, representation or warranty made by Lessee in this Lease or in any document delivered by Lessee pursuant hereto or in connection herewith is false, misleading or erroneous in any material respect; (d) Lessee becomes insolvent, is unable to pay its debts as they become due, makes an assignment for the benefit of creditors, applies or consents to the appointment of a receiver, trustee, conservator or liquidator of Lessee or of all or substantial part of its assets, a petition for relief is filed by Lessee under federal bankruptcy, insolvency or similar laws, or a petition in a proceeding under any bankruptcy, insolvency or similar laws, is filed against Lessee and is not dismissed within thirty (30) days thereafter; (e) Lessee suffers an adverse material change in its financial condition or operations from the date hereof and, as a result, Lessor deems itself insecure; or (f) Lessee is in default under any other agreement executed at any time with Lessor or its affiliates, or under any other agreement or instrument by which it is bound.
- 21. REMEDIES:** Upon the occurrence of an Event of Default, Lessor shall have the right, at its sole option, to exercise any one or more of the following remedies: (a) by written notice to Lessee, declare an amount equal to all amounts then due under this Lease and all remaining Rental Payments which will become due during the then current fiscal year of Lessee to be immediately due and payable, whereupon the same will become immediately due and payable and such amounts shall thereafter bear interest at the rate of 1.5% per month or the maximum rate permitted by applicable law, whichever is less; (b) by written notice to Lessee, request Lessee to (and Lessee agrees that it will), at Lessee's expense, promptly cease use and return the Equipment to Lessor in the manner set forth in Section 8 hereof, or Lessor, at its option and with or without terminating the Lease Term, may enter upon the premises where the Equipment is located and take immediate possession of and remove the same, without liability to Lessor or its agents for such entry or for damage to property or otherwise; (c) sell or lease the Equipment or sublease it for the account of Lessee, holding Lessee liable for (i) all Rental Payments and other payments due to the effective date of such selling, leasing or subleasing, and (ii) for the difference between the net purchase price, rental and other amounts paid by the purchaser, lessee or sublessee pursuant to such sale, lease or sublease and the remaining amounts payable by the Lessee through the end of the then current fiscal year of Lessee hereunder; and (d) exercise any other right, remedy or privilege which may be available to it under applicable law, including the right to (i) proceed by appropriate court action to enforce the terms of this Lease, (ii) recover damages for the breach of this Lease, and (iii) rescind this Lease as to any or all of the Equipment. If Lessee fails to cease use and deliver possession of the Equipment upon the occurrence of an Event of Default, Lessee shall be responsible for the payment of damages in an amount equal to (a) the portion of Rental Payments that is attributable to the number of days after the termination during which Lessee fails to cease use and deliver possession of the Equipment and (b) any other loss suffered by Lessor as a result of Lessee's failure to cease use and deliver possession of the Equipment.

In addition, Lessee will remain liable for all covenants and indemnities under this Lease and for all legal fees and other costs and expenses, including court costs, incurred by Lessor with respect to the enforcement of any of the remedies listed above or any other remedy available to Lessor.

- 22. EARLY PURCHASE OPTION; PREPAYMENT:** Lessee may, upon sixty (60) days prior written notice to Lessor, and provided Lessee has fully paid and performed all other obligations hereunder and provided no Event of Default has occurred and is continuing, pay to Lessor on any regularly scheduled Rental Payment date the applicable amount set forth on Schedule C attached hereto, whereupon title to the Equipment will become unconditionally vested in Lessee, and Lessor will transfer any and all of its right, title and interest in the Equipment to Lessee as is, where is, without warranty, express or implied, except that Lessor will warrant to Lessee that the Equipment is free and clear of any liens created by Lessor.

Upon delivery by Lessee of a final acceptance certificate, any remaining monies in any escrow fund established under the Escrow Agreement shall be paid to Lessor, for credit, first, to the next Rental Payment due, and, second, to the prepayment of the principal portion of future Rental Payments hereunder in the manner directed by Lessor, in its sole discretion, unless Lessor directs that payment of such amount be made in such other manner directed by Lessor that, in the opinion of nationally recognized counsel in the area of tax-exempt municipal obligations satisfactory to Lessor, will not adversely affect the exclusion of the interest portions of Rental Payments from gross income for federal income tax purposes. If any amount is applied against the outstanding principal components of Rental Payments, Schedule C attached hereto will be revised accordingly.

- 23. DETERMINATION OF FAIR PURCHASE PRICE:** Lessee and Lessor hereby agree and determine that the Rental Payments payable during the Lease Term represent the fair value of the use of the Equipment and that the amount required to exercise Lessee's option to purchase the Equipment pursuant to Section 22 represents the fair purchase price of the Equipment. Lessee hereby determines that the Rental Payments do not exceed a reasonable amount so as to place Lessee under a practical economic compulsion to renew this Lease or to exercise its option to purchase the Equipment. In making such determinations, Lessee and Lessor have given consideration to (a) the costs of the Equipment, (b) the uses and purposes for which the Equipment will be employed by Lessee, (c) the benefit to Lessee by reason of the acquisition and installation of the Equipment and the use of the Equipment pursuant to the terms and provisions of this Lease, and (d) Lessee's option to purchase the Equipment. Lessee hereby determines and declares that this Lease will result in equipment of comparable quality and meeting the same requirements and standards as would be necessary if the acquisition and installation of the Equipment were performed by Lessee other than pursuant to this Lease. Lessee hereby determines and declares that the Lease Term does not exceed the useful life of the Equipment.
- 24. ASSIGNMENT:** Except as expressly provided herein, Lessee will not (a) assign, transfer, pledge, hypothecate or grant any security interest in, or otherwise dispose of, this Lease or the Equipment or any interest in this Lease or the Equipment or (b) sublet or lend the Equipment or permit the Equipment to be used by anyone other than Lessee or Lessee's employees, unless Lessee obtains the prior written consent of Lessor and an opinion of nationally recognized counsel in the area of tax-exempt municipal obligations satisfactory to Lessor that such action will not adversely affect the exclusion of the interest portions of the Rental Payments from gross income for federal income tax purposes.

Lessor, without the consent of Lessee, may assign all or any portion or portions of its right, title and interest in and to this Lease, the Equipment and any other documents executed with respect to this Lease, and/or grant or assign all or any portion or portions of its security interest in this Lease and the Equipment, in whole or in part to various assignees, their agents or trustees (each and any one hereinafter referred to as an "Assignee"). Any such assignment to an Assignee may provide that the Lessor or the Assignee will act as a collection and paying agent for owners of certificates of participation in this Lease, or may provide that a third-party trustee or agent will act as collection and paying agent for any Assignee, provided that any such trustee or agent will maintain registration books as a register of all persons who are owners of certificates of participation or other interest in Rental Payments and Lessee receives written notification of the name and address of the trustee or agent and a copy of the pooling and fractionalization agency or trustee agreement, if any. Any such Assignee will have all of the assigned rights of Lessor under this Lease. Subject to the foregoing, this Lease will inure to the benefit of and will be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto. Any assignment or reassignment of any of Lessor's right, title or interest in this Lease or the Equipment will be effective upon receipt by Lessee of a duplicate original of the counterpart document by which the assignment or reassignment is made, disclosing the name and address of each such Assignee and, where applicable, to whom further payments hereunder should be made. During the Lease Term, Lessee covenants that it will keep a complete and accurate record of all assignments in form necessary to comply with Section 149(a) of the Code and the regulations, proposed or existing, from time to time promulgated thereunder. Lessee agrees to acknowledge in writing any assignments if so required.

Lessee agrees that, upon notice of assignment, if so instructed it will pay directly to the Assignee, or its trustee or agent without abatement, deduction or setoff all amounts which become due hereunder. Lessee further agrees that it will not assert against any Assignee, or its trustee or agent, any defense, claim, counterclaim or setoff Lessee may have against Lessor.

- 25. FINANCIAL STATEMENTS:** Each year during the term of this Lease, Lessee hereby agrees to deliver to Lessor a copy of: (i) annual audited financial statements within one hundred twenty (120) days of Lessee's fiscal year-end; and (ii) within a reasonable period of time, any other financial information Lessor requests from time to time.
- 26. NATURE OF AGREEMENT:** Lessor and Lessee agree that upon the due and punctual payment and performance of the installments of Rental Payments and other amounts and obligations under this Lease, title to the Equipment will vest permanently in Lessee as provided in this Lease, free and clear of any interest, lien or security of Lessor therein.
- 27. AMENDMENTS:** This Lease may be amended or any of its terms modified in any manner by written agreement of Lessee and Lessor. Any waiver of any provision of this Lease or of any right or remedy hereunder must be affirmatively and expressly made in writing and will not be implied from inaction, course of dealing or otherwise.
- 28. NOTICES:** All notices to be given under this Lease must be made in writing and mailed by certified mail to the other party at its address set forth herein or at such address as the party may provide in writing from time to time. Any such notice is effective upon receipt.
- 29. SECTION HEADINGS:** All section headings contained herein are for the convenience of reference only and are not intended to define or limit the scope of any provision of this Lease.
- 30. GOVERNING LAW:** This Lease will be governed by the provisions hereof and by the laws of the State where Lessee is located.
- 31. FURTHER ASSURANCES:** Lessee will deliver to Lessor (i) an opinion of counsel in substantially the form of Schedule D attached hereto or as Lessor may otherwise request; and (ii) if applicable, a certificate of a duly authorized official as to designation as a qualified tax-exempt obligation. Moreover, Lessee will execute or provide, as requested by Lessor, any documents and information that are reasonably necessary with respect to the transaction contemplated by this Lease.

- 32. **ENTIRE AGREEMENT:** This Lease, together with the Schedules attached hereto and made a part hereof and other attachments hereto and other documents or instruments executed by Lessee and Lessor in connection herewith, constitute the entire agreement between the parties with respect to the lease of the Equipment, and this Lease will not be modified, amended, altered or changed except with the written consent of Lessee or Lessor.
- 33. **SEVERABILITY:** Any provision of this Lease found to be prohibited by law will be ineffective to the extent of such prohibition without invalidating the remainder of this Lease.
- 34. **WAIVER:** The waiver by Lessor of any breach by Lessee of any term, covenant or condition, hereof will not operate as a waiver of any subsequent breach hereof.
- 35. **ELECTRONIC TRANSACTIONS.** The parties agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.
- 36. **ROLE OF LESSOR:** Lessor has not acted and will not act as a fiduciary for Lessee or as Lessee's agent or municipal advisor. Lessor has not and will not provide financial, legal, tax, accounting or other advice to Lessee or to any financial advisor or placement agent engaged by Lessee with respect to this Lease. Lessee, its financial advisor, placement agent or municipal advisor, if any, shall each seek and obtain its own financial, legal, tax, accounting and other advice with respect to this Lease from its own advisors (including as it relates to structure, timing, terms and similar matters).

ORAL AGREEMENTS OR COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT INCLUDING PROMISES TO EXTEND OR RENEW SUCH DEBT, ARE NOT ENFORCEABLE. TO PROTECT YOU (LESSEE(S) AND US (LESSOR) FROM MISUNDERSTANDING OR DISAPPOINTMENT, ANY AGREEMENTS WE REACH COVERING SUCH MATTERS ARE CONTAINED IN THIS WRITING, WHICH IS THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN US EXCEPT AS WE MAY LATER AGREE IN WRITING TO MODIFY IT.

BY SIGNING BELOW, YOU AND WE AGREE THAT THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN US.

<i>Lessor: Clayton Holdings, LLC</i>	<i>Lessee:</i> _____
<i>Authorized Signature:</i> _____	<i>Authorized Signature:</i> _____
<i>Printed Name:</i> _____	<i>Printed Name:</i> _____
<i>Title:</i> _____	<i>Title:</i> _____
<i>Date:</i> _____	<i>Date:</i> _____
	<i>EIN:</i> _____

**SCHEDULE A TO
STATE & MUNICIPAL LEASE/PURCHASE AGREEMENT
Lease No. _____ - _____**

Location of Equipment	
Street: _____ City: _____ State: _____ Zip Code: _____	
Description of Equipment	Equipment Cost
	\$ _____
Total	
	\$ _____

Lessee hereby certifies that the description of the property set forth above constitutes a complete and accurate description of all Equipment as subject to in the Lease.

Lessee: _____ Authorized Signature: _____ Printed Name: _____ Title: _____ Date: _____
--

**SCHEDULE B TO
STATE & MUNICIPAL LEASE/PURCHASE AGREEMENT
Lease No. 5000000-000
PAYMENT DIRECTION AND ACCEPTANCE CERTIFICATE**

TO: Clayton Holdings, LLC

Reference is made to the State and Municipal Lease/Purchase Agreement between Clayton Holdings, LLC ("Lessor"), and the undersigned _____ ("Lessee"), dated the ____ day of _____, 20__ ("Lease") and to the Equipment, as such term is defined therein. In connection therewith, we hereby certify as follows:

Acceptance Certifications:

1. All of the Equipment has been delivered to and received by the undersigned; all installation or other work necessary prior to the use thereof has been completed; said Equipment has been examined and/or tested and is in good operating order and condition and is in all respects satisfactory to the undersigned and as represented, and said Equipment has been accepted by the undersigned and complies with all terms of the Lease. Consequently, you are hereby authorized to pay for the Equipment in accordance with the terms of any purchase orders for the same.
2. In the future, in the event the Equipment fails to perform as expected or represented we will continue to honor the Lease in all respects and continue to make our rental and other payments thereunder in the normal course of business and we will look solely to the vendor, distributor or manufacturer for recourse.
3. We acknowledge that Lessor is neither the vendor nor manufacturer or distributor of the Equipment and has no control, knowledge or familiarity with the condition, capacity, functioning or other characteristics of the Equipment.
4. No event or condition that constitutes, or with notice or lapse of time, or both, would constitute, an Event of Default (as defined in the Lease) exists at the date hereof.
5. We are currently maintaining the insurance coverage required by **Section 17** of the Lease
6. The serial number for each item of Equipment which is set forth on Schedule A to the Lease is correct.

Payment Direction:

Lessor is directed to disburse the following amounts to pay the costs of the Equipment and related costs pursuant to the Lease and the below instructions. Lessee agrees that the "Start Date" for Rental Payments under the Lease will be the date on which Lessor makes such disbursement, and Lessor is authorized to complete that date on the Payment Schedule attached as **Schedule C** to the Lease.

Payee Name and Address & Description of Cost Paid (if not to Vendor)	Amount to be Paid	Payment Delivery Instructions (if not provided on attached invoice)

Payee Name and Address & Description of Cost Paid <i>(if not to Vendor)</i>	Amount to be Paid	Payment Delivery Instructions <i>(if not provided on attached invoice)</i>

This certificate will not be considered to alter, construe, or amend the terms of the Lease.

<p><i>Lessee:</i> _____</p> <p><i>Authorized Signature:</i> _____</p> <p><i>Printed Name:</i> _____</p> <p><i>Title:</i> _____</p> <p><i>Date:</i> _____</p>
--

SAMPLE

**SCHEDULE C
PAYMENT SCHEDULE**

Lessee: _____
 Lessor: Clayton Holdings, LLC
 Lease Number: _____ - _____
 Capital Cost of Equipment (Principal Portion of Rental Payments): \$ _____
 Nominal Interest Rate: _____ %
 Start Date: _____ (actual funding date -- to be completed by Lessor)

Subject to Section 8 of the Lease, Rental Payments are due on the dates and in the amounts shown below:

Pmt. No.	Rental Payment Date	Payment Amount	Interest Portion (Amount Credited to Interest)	Principal Portion (Amount Credited to Capital Cost)	Outstanding Principal Balance
-------------	------------------------	-------------------	---	---	----------------------------------

TOTALS:

In the event Lessee desires to prepay this Lease, it may do so in whole, but not in part, at a purchase price equal to (a) the then current outstanding principal balance shown above; plus (b) a prepayment premium calculated as a percentage of the then current outstanding principal balance, in the following amount: 3%, with respect to any prepayment during the first full year of the Lease Term; 2%, with respect to any prepayment during the second full year of the Lease Term; and 1%, with respect to any prepayment during the third full year of the Lease Term and thereafter; plus (c) unpaid interest accrued on the outstanding principal balance to the prepayment date; and plus (d) all other amounts then payable under this Lease. There is no prepayment penalty if Lessee is using funds other than proceeds of a grant or an actual or anticipated refinancing.

Lessee: _____

Authorized Signature: _____

Printed Name: _____

Title: _____

Date: _____

**SCHEDULE D TO
STATE & MUNICIPAL LEASE/PURCHASE AGREEMENT
OPINION OF COUNSEL
(To be on Letterhead of Lessee's Counsel)**

Clayton Holdings, LLC
8000 Forsyth Boulevard, Suite 510
St. Louis, Missouri 63105

Re: State and Municipal Lease/Purchase Agreement No. _____ - _____ dated the ____ day of _____, 2018
(the "Lease"), between Clayton Holdings, LLC ("Lessor") and _____ ("Lessee").

Ladies and Gentlemen:

As legal counsel to Lessee, I have examined (a) an executed counterpart of the Lease, which, among other things, provides for the sale to and purchase by the Lessee of the Equipment, (b) an executed counterpart of the ordinance, order or resolution of Lessee which, among other things, authorizes Lessee to execute the Lease and (c) such other opinions, documents and matters of law as I have deemed necessary in connection with the following opinions.

Based on the foregoing, I am of the following opinions:

1. Lessee is a public body corporate and politic, duly organized and existing under the laws of the State, and has a substantial amount of one or more of the following sovereign powers: (a) the power to tax, (b) the power of eminent domain, and (c) police power.

2. Lessee has the requisite power and authority to purchase the Equipment and to execute and deliver the Lease and to perform its obligations under the Lease, and the execution, delivery and compliance with the provisions of the Lease will not conflict with or result in the breach of any of the provisions of, or constitute a default under any indenture or other agreement or instrument to which Lessee is a party, or by which it or its property is bound.

3. The Lease and the other documents either attached thereto or required therein have been duly authorized, approved and executed by and on behalf of Lessee, and the Lease is a valid and binding obligation of Lessee enforceable in accordance with its terms.

4. The authorization, approval and execution of the Lease and all other proceedings of Lessee relating to the transactions contemplated thereby have been performed in accordance with all open meeting laws, public bidding laws and all other applicable state and federal laws.

5. There is no proceeding pending or threatened in any court or before any governmental authority or arbitration board or tribunal that, if adversely determined, would adversely affect the transactions contemplated by the Lease, the Escrow Agreement or the security interest of Lessor or its assigns, as the case may be, in the Equipment.

Furthermore, I confirm that the name of the Lessee as stated in the Lease, as _____, is the exact legal name of the Lessee for all purposes contemplated herein.

All capitalized terms herein shall have the same meanings as in the Lease. Lessor, its successors and assigns and any counsel rendering an opinion on the tax-exempt status of the interest portions of Rental Payments are entitled to rely on this opinion.

Very truly yours,

**SCHEDULE E-1 TO
STATE & MUNICIPAL LEASE/PURCHASE AGREEMENT
Lease No. _____ - _____**

WHEREAS, _____ (the "Lessee") is a political subdivision duly organized under the constitution and laws of the State where Lessee is located;

WHEREAS, it is necessary and desirable and in the best interest of the Lessee, as lessee, to enter into a State & Municipal Lease/Purchase Agreement (the "Lease") with Clayton Holdings, LLC, as lessor (the "Lessor"), for the purposes described therein, including the leasing of the Equipment; and

WHEREAS, the Lessee has, in accordance with the requirements of law, fully budgeted and appropriated sufficient funds for the current fiscal year to make the Rental Payments scheduled to come due during the current fiscal year and to meet its other obligations, and such funds have not been expended for other purposes

NOW, THEREFORE, BE IT RESOLVED, BY THE GOVERNING BODY OF [LESSEE], AS FOLLOWS:

Section 1. The Lease, in substantially the same form as presented to this meeting, and the terms and performance thereof are hereby approved, and the _____ of the Lessee is hereby authorized to execute and deliver the Lease, on behalf of the Lessee, with such changes therein as shall be approved by such officer, such approval to be conclusively evidenced by such officer's execution thereof.

Section 2. The Lessee shall, and the officers, agents and employees of the Lessee are hereby authorized and directed to take such further action and execute such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution, and to carry out, comply with and perform the duties of the Lessee with respect to the Lease.

Section 3. Lessee hereby designates the Lease as a "qualified tax-exempt obligation" as defined in Section 265(b)(3)(B) of the Internal Revenue Code. The aggregate face amount of all tax-exempt obligations (including the Lease, but excluding private activity bonds other than qualified 501(c)(3) bonds) issued or to be issued by Lessee and all subordinate entities thereof during the current calendar year is not reasonably expected to exceed \$10,000,000. Lessee and all subordinate entities thereof will not issue in excess of \$10,000,000 of tax-exempt obligations (including the Lease, but excluding private activity bonds other than qualified 501(c)(3) bonds) during the current calendar year without first providing Lessor with an opinion of nationally recognized counsel in the area of tax-exempt municipal obligations acceptable to Lessor, that the designation of the Lease as a "qualified tax-exempt obligation" will not be adversely affected.

Section 4. Moneys sufficient to pay all Rental Payments required to be paid under the Lease during Lessee's current fiscal year are hereby appropriated to such payment, and such moneys will be applied in payment of all Rental Payments due and payable during the current fiscal year.

Section 5. This Resolution shall take effect and be in full force immediately after its adoption by the governing body of the Lessee.

PASSED AND ADOPTED by the governing body of _____ this ___ day of _____, 20__.

ATTEST:

LESSEE: _____

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

**SCHEDULE E-2 TO
STATE & MUNICIPAL LEASE/PURCHASE AGREEMENT
Lease No. _____ - _____**

INCUMBENCY AND AUTHORIZATION CERTIFICATE

The undersigned, a duly elected or appointed and acting _____ of _____
_____ (“Lessee”) certifies as follows:

A. **Authorized Signers.** The following listed persons are duly elected or appointed and acting officials of Lessee (the “Officials”) in the capacity set forth opposite their respective names below, and the signature of each such Official appearing below is the true and genuine signature of that Official. By order of Lessee’s governing body, the Officials identified below have been duly authorized, on behalf of Lessee, to negotiate, execute and deliver the Equipment Lease/Purchase Agreement dated as of _____, 2018, by and between Lessee and Clayton Holdings, LLC (“Lessor”), and all documents related thereto and delivered in connection therewith (collectively, the “Agreements”).

Name of Official	Title	Signature

B. **Call-Back Verification.** Lessor may, but is not required, to call back any one of the below-named employees or officials of Lessee prior to approving the disbursement of any funds from the Acquisition Fund established under the Escrow Agreement to verify the request for disbursement, including but not limited to amount, payee, address, ABA and account numbers of the payee or Lessee.

Name	Title	Phone Number

Dated: _____ By: _____

Name: _____

Title: _____

(The signer of this Certificate cannot be listed under Paragraph A above as authorized to execute the Agreements.)

**SCHEDULE F
STATE & MUNICIPAL LEASE/PURCHASE AGREEMENT**

Lease No. _____ - _____

ESSENTIAL USE/SOURCE OF FUNDS LETTER

_____ day of _____, 2018

Clayton Holdings, LLC
8000 Forsyth Boulevard, Suite 510
St. Louis, Missouri 63105

Re: State and Municipal Lease/Purchase Agreement No. _____ - _____, dated the ___ day of _____, 2018
(the "Lease"), between Clayton Holdings, LLC ("Lessor") and _____ ("Lessee")

Ladies and Gentlemen:

This confirms and affirms that the Equipment described in the Lease is essential to the function of the undersigned or to the service we provide to our citizens.

Further, we have an immediate need for, and expect to make immediate use of, substantially all such Equipment, which need is not temporary or expected to diminish in the foreseeable future. Such Equipment will be used by us only for the purpose of performing one or more of our governmental or proprietary functions consistent with the permissible scope of our authority. Specifically, such Equipment was selected by us to be used as follows:

The estimated useful life of such Equipment based upon manufacturer's representations and our projected needs is not less than the maximum Lease Term.

Our source of funds for payments of the Rental Payments due under the Lease for the current fiscal year is

We currently expect and anticipate adequate funds to be available for all future payments of rent due after the current fiscal year for the following reasons:

Very truly yours,

Lessee: _____

Authorized Signature: _____

Printed Name: _____

Title: _____

Date: _____

**SCHEDULE G
PROOF OF INSURANCE**

Insurance Agent Name: _____

Agency Name: _____

Address: _____

Phone Number: _____

E-Mail: _____

Ladies and Gentlemen:

Please add Clayton Holdings, LLC as both co-loss payee and additional insured under the property insurance covering the Equipment listed on attached Schedule A, and as additional insured under the general liability insurance policy. The minimum liability coverage is \$1,000,000.00. Please mail or fax an insurance certificate to:

Clayton Holdings, LLC
P.O. Box 11309
St. Louis, MO 63105
Fax # 314-746-3744

Upon acceptance of the Equipment and upon each insurance renewal date, Lessee will deliver to Lessor a certificate evidencing such insurance.

Please note that the Bank requires 30 day written notice of cancellation of the policy covering leased equipment.

Lessee: _____

Authorized Signature: _____

Printed Name: _____

Title: _____

Date: _____



SCHEDULE H

ACH Payment Authorization Form

Lease No. / Loan No: _____

Lessee / Borrower: _____

I authorize Commerce Bank (“Commerce”) to initiate debit entries and to initiate, if necessary, credit entries and adjustments for any debit entries in error on behalf of CBI Equipment Finance, Clayton Holdings or Commerce Bank as lender or lessor in the amount shown, and from the checking or savings account with the depository institution (“Bank”) named below, on the payment due date.

Bank Name: _____

Address: _____

ABA Routing No.: _____

Account No.: _____ (X) Checking () Savings

This is a (X) New or () Updated authorization form.

_____ Debit Amount(s): \$ _____

Begin Auto Debit with Invoice Date Due: _____

The final or balloon payment, if different from the _____ payment, will not be auto debited.

I understand that this authorization will remain in full force and effect until I notify COMMERCE BANK at the address or phone number below that I wish to revoke this authorization. I understand that COMMERCE BANK requires at least 5 days prior notice in order to process any such cancellation.

X _____ X _____

Borrower / Lessee Signature

Date

Note that there is NO charge for this service.

Also, your “Bank” need not be Commerce Bank to benefit from this feature. Any bank account can be auto debited. To commence service please return this form with your document package or send this signed form and a **voided check** (unless COMMERCE BANK is already currently debiting this same account for another lease schedule) to:

COMMERCE BANK

P.O. Box 11309

Clayton, MO 63105

or

LeasingACH@Commercebank.com

To discontinue or amend service, please email the request to the address above or call COMMERCE BANK at 314.746.3726.

8038-G QUESTIONNAIRE

Name of Lessee: «Lessee Name»
 Address of Lessee: «Lessee Address», «Lessee City», «Lessee State» «Lessee Zip»
 Contact Person: «Lessee Contact»
 Telephone Number: «Lessee Phone»
 Email Address: «Lessee Email»
 Lessee's FEIN: «Tax ID»

GENERAL

In October 2021, the Internal Revenue Service (“IRS”) updated Form 8038-G (the form used by Lessees to report the issuance of a tax-exempt obligation). The revised Form 8038-G asks specific questions about written procedures to: (1) monitor private use of assets financed with proceeds of a tax-exempt obligation and, as necessary, to take remedial actions to correct any violations of federal tax restrictions on the use of financed assets; and (2) monitor the yield on the investment of gross proceeds of tax-exempt obligations and, as necessary, make payments of arbitrage rebate earned to the United States. In addition, the revised Form 8038-G asks Lessees to report whether any proceeds will be used to reimburse the Lessee for an expenditure paid prior to issuance. This questionnaire is designed to obtain the information necessary to complete Form 8038-G for the Lease. Lessee will be required to review and approve the information entered prior to signing the 8038-G form.

At this time, the consequences of not having adopted written procedures to monitor private use of financed assets and yield on the investment of gross proceeds of tax-exempt obligations are unknown. If you have further questions, please consult your regular bond or legal counsel.

Part 1 – Written Tax Compliance Procedures

Note: If either of these questions is not answered, we will assume the Lessee has not adopted the described procedures.

1. Has the Lessee established written procedures to monitor compliance with federal tax restrictions for the term of the lease? The written procedures should identify a particular individual within Lessee's organization to monitor compliance with the federal tax requirements related to use of the financed assets and describe actions to be taken in the event failure to comply with federal tax restrictions is contemplated or discovered. **Yes** ___ **No** ___
2. Has the Lessee established written procedures to monitor the yield on the investment of proceeds of the Lease on deposit in an escrow account or similar fund prior to being spent and to ensure that any positive arbitrage rebate earned is paid to the United States? **Yes** ___ **No** ___

Part 2 – Reimbursement of Prior Expenditures

1. As of the funding date, were any of the proceeds of the Lease used to reimburse Lessee for expenditures paid to acquire the financed assets prior to the funding date of the Lease?
Yes ___ **No** ___

If yes, please attach a spreadsheet listing the expenditure(s) together with the date paid, vendor paid and purpose of the expenditure or other proof of the expenditure(s) containing this information (i.e. invoices, receipts, cancelled checks).

Items 2 and 3 need to be completed ONLY if the answer to item 1 above is YES.

2. Please attach a copy of Lessee's resolution of intent to finance the financed assets, which includes date of adoption.
3. What is the amount of proceeds of the Lease reimbursed to Lessee? \$ _____

BY: _____

NAME: _____ «Signer»

TITLE: _____ «Signer Title»

DATE: _____

SAMPLE

Information Return for Tax-Exempt Governmental Bonds

▶ Under Internal Revenue Code section 149(e)
 ▶ See separate instructions.
 Caution: If the issue price is under \$100,000, use Form 8038-GC.
 ▶ Go to www.irs.gov/F8038G for instructions and the latest information.

OMB No. 1545-0047

Part I Reporting Authority		Check box if Amended Return <input type="checkbox"/>
1 Issuer's name		2 Issuer's employer identification number (EIN)
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a
4 Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	5 Report number (For IRS Use Only)
6 City, town, or post office, state, and ZIP code		7 Date of issue
8 Name of issue		9 CUSIP number
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information		10b Telephone number of officer or other employee shown on 10a

Part II Type of Issue (Enter the issue price.) See the instructions and attach schedule.	
11 Education	11
12 Health and hospital	12
13 Transportation	13
14 Public safety	14
15 Environment (including sewage bonds)	15
16 Housing	16
17 Utilities	17
18 Other. Describe ▶	18
19a If bonds are TANs or RANs, check only box 19a	<input type="checkbox"/>
b If bonds are BANs, check only box 19b	<input type="checkbox"/>
20 If bonds are in the form of a lease or installment sale, check box	<input type="checkbox"/>

Part III Description of Bonds. Complete for the entire issue for which this form is being filed.					
	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21		\$	\$	years	%

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)	
22 Proceeds used for accrued interest	22
23 Issue price of entire issue (enter amount from line 21, column (b))	23
24 Proceeds used for bond issuance costs (including underwriters' discount)	24
25 Proceeds used for credit enhancement	25
26 Proceeds allocated to reasonably required reserve or replacement fund	26
27 Proceeds used to refund prior tax-exempt bonds. Complete Part V	27
28 Proceeds used to refund prior taxable bonds. Complete Part V	28
29 Total (add lines 24 through 28)	29
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.	
31 Enter the remaining weighted average maturity of the tax-exempt bonds to be refunded	years
32 Enter the remaining weighted average maturity of the taxable bonds to be refunded	years
33 Enter the last date on which the refunded tax-exempt bonds will be called (MM/DD/YYYY)	
34 Enter the date(s) the refunded bonds were issued ▶ (MM/DD/YYYY)	

Part VI Miscellaneous

- | | | |
|---|------------|--|
| 35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) | 35 | |
| 36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC). See instructions | 36a | |
| b Enter the final maturity date of the GIC ▶ (MM/DD/YYYY) _____ | | |
| c Enter the name of the GIC provider ▶ _____ | | |
| 37 Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units | 37 | |
| 38a If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ <input type="checkbox"/> and enter the following information: | | |
| b Enter the date of the master pool bond ▶ (MM/DD/YYYY) _____ | | |
| c Enter the EIN of the issuer of the master pool bond ▶ _____ | | |
| d Enter the name of the issuer of the master pool bond ▶ _____ | | |
| 39 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶ <input type="checkbox"/> | | |
| 40 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶ <input type="checkbox"/> | | |
| 41a If the issuer has identified a hedge, check here ▶ <input type="checkbox"/> and enter the following information: | | |
| b Name of hedge provider ▶ _____ | | |
| c Type of hedge ▶ _____ | | |
| d Term of hedge ▶ _____ | | |
| 42 If the issuer has superintegrated the hedge, check box ▶ <input type="checkbox"/> | | |
| 43 If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ▶ <input type="checkbox"/> | | |
| 44 If the issuer has established written procedures to monitor the requirements of section 148, check box ▶ <input type="checkbox"/> | | |
| 45a If some portion of the proceeds was used to reimburse expenditures, check here ▶ <input type="checkbox"/> and enter the amount of reimbursement ▶ _____ | | |
| b Enter the date the official intent was adopted ▶ (MM/DD/YYYY) _____ | | |

Signature and Consent	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.				
	▶ _____ Signature of issuer's authorized representative		Date		▶ _____ Type or print name and title
Paid Preparer Use Only	Print/Type preparer's name		Preparer's signature		Date
	Firm's name ▶		Firm's EIN ▶		
	Firm's address ▶		Phone no.		
	Check <input type="checkbox"/> if self-employed		PTIN		

Request for Taxpayer Identification Number and Certification

Go to www.irs.gov/FormW9 for instructions and the latest information.

**Give form to the
 requester. Do not
 send to the IRS.**

Before you begin. For guidance related to the purpose of Form W-9, see *Purpose of Form*, below.

Print or type. See Specific Instructions on page 3.	1	Name of entity/individual. An entry is required. (For a sole proprietor or disregarded entity, enter the owner's name on line 1, and enter the business/disregarded entity's name on line 2.)	
	2	Business name/disregarded entity name, if different from above.	
	3a	Check the appropriate box for federal tax classification of the entity/individual whose name is entered on line 1. Check only one of the following seven boxes. <input type="checkbox"/> Individual/sole proprietor <input type="checkbox"/> C corporation <input type="checkbox"/> S corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> LLC. Enter the tax classification (C = C corporation, S = S corporation, P = Partnership) _____ Note: Check the "LLC" box above and, in the entry space, enter the appropriate code (C, S, or P) for the tax classification of the LLC, unless it is a disregarded entity. A disregarded entity should instead check the appropriate box for the tax classification of its owner. <input type="checkbox"/> Other (see instructions) _____	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from Foreign Account Tax Compliance Act (FATCA) reporting code (if any) _____ <i>(Applies to accounts maintained outside the United States.)</i>
	3b	If on line 3a you checked "Partnership" or "Trust/estate," or checked "LLC" and entered "P" as its tax classification, and you are providing this form to a partnership, trust, or estate in which you have an ownership interest, check this box if you have any foreign partners, owners, or beneficiaries. See instructions <input type="checkbox"/>	
	5	Address (number, street, and apt. or suite no.). See instructions.	Requester's name and address (optional)
	6	City, state, and ZIP code	
	7	List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Social security number																				
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Note: If the account is in more than one name, see the instructions for line 1. See also *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Part II Certification

- Under penalties of perjury, I certify that:
- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
 - I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
 - I am a U.S. citizen or other U.S. person (defined below); and
 - The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and, generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here	Signature of U.S. person	Date
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

What's New

Line 3a has been modified to clarify how a disregarded entity completes this line. An LLC that is a disregarded entity should check the appropriate box for the tax classification of its owner. Otherwise, it should check the "LLC" box and enter its appropriate tax classification.

New line 3b has been added to this form. A flow-through entity is required to complete this line to indicate that it has direct or indirect foreign partners, owners, or beneficiaries when it provides the Form W-9 to another flow-through entity in which it has an ownership interest. This change is intended to provide a flow-through entity with information regarding the status of its indirect foreign partners, owners, or beneficiaries, so that it can satisfy any applicable reporting requirements. For example, a partnership that has any indirect foreign partners may be required to complete Schedules K-2 and K-3. See the Partnership Instructions for Schedules K-2 and K-3 (Form 1065).

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS is giving you this form because they