

BILL NO. 2018-015

ORDINANCE NO. 8221

A SPECIAL ORDINANCE OF THE CITY OF NEVADA, MISSOURI ACCEPTING THE BID AND ENTERING INTO A LEASE PURCHASE AGREEMENT WITH CLAYTON HOLDINGS, LLC FOR THE ACQUISITION OF CAPITAL ASSETS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NEVADA, MISSOURI THAT:

Section 1. The City Council hereby authorizes the City of Nevada, Missouri to accept the bid and enter into a lease/purchase agreement with Clayton Holdings, LLC for the acquisition of capital assets listed in Exhibit A for an amount not to exceed \$507,023.

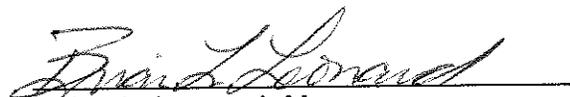
Section 2. The City Manager is hereby authorized and directed to execute any and all documents associated with the lease/purchase on behalf for the City of Nevada, Missouri.

Section 3. The form of the documentation will be substantially as submitted to and reviewed by the City Council subject however to such improvements and clarifications as are agreed to between the City administration and City Attorney on behalf of the City and Clayton Holdings, LLC and its legal advisors.

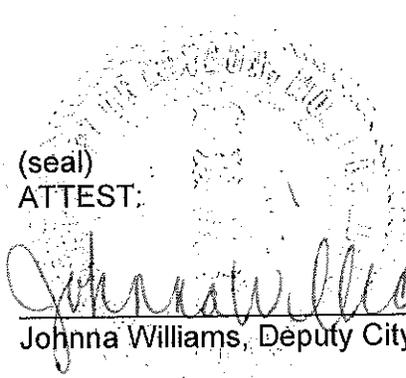
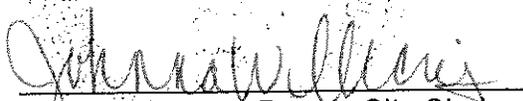
Section 4. In the event that an invoice is due prior to funding of the escrow account, the City Treasurer is hereby authorized to pay the invoice from City cash and request reimbursement from escrow funds.

Section 5. This Ordinance shall be in full force and effect from and after its final passage.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Nevada, Missouri on this 6th day of March, 2018.


Brian L. Leonard, Mayor

(seal)
ATTEST:



Johnna Williams, Deputy City Clerk

AGENDA ITEM
February 20, 2018

Subject: Clayton Holdings, LLC Lease Purchase of Capital Assets

Department: Finance

Bids were solicited for the lease purchase of capital assets. No bids were received from First National Bank, or Metz Banking Company.

	Interest Rates				Terms	Total Interest
	10 yr	5 yr	3 yr	Blended		
Clayton Holdings, LLC	2.86%	2.65%	2.50%	3.172%	10yr, 5yr, 3yr	\$ 72,920.42
Great Southern Bank				3.990%	10yr, 5yr, 3yr	\$ 87,284.61
Heritage State Bank	4.04%	3.74%	3.56%		10yr, 5yr, 3yr	\$ 100,431.36
U.S. Bancorp Government Leasing	3.32%	2.90%	2.70%		10yr, 5yr, 3yr	\$ 80,326.08
Arvest Equipment Finance				3.860%	7 yr	\$ 67,765.20
PNC Equipment Finance				3.719%	7 yr	\$ 84,325.66

Clayton Holdings, LLC has the lowest rates and meets our requirements.

Exhibit A

Lease Purchase Capital Assets For Year Ending December 31, 2018					
Dept	Description	General	Parks	Total	Term Years
Fire	Freightliner Pumper Truck	324,952		324,952	10
Police	Ford Interceptor (4)	141,548		141,548	5
Comm Ctr	American Standard HVAC 15T		16,783	16,783	5
Parks Maint	Grasshopper 400D mower		14,580	14,580	3
Sports Complex	Grasshopper 400D mower (2)		29,160	29,160	3
Recreation	storage shed		15,000	15,000	3
Total		466,500	75,523	542,023	
	Less down payment from General Fund	<u>35,000</u>	<u>-</u>	<u>35,000</u>	
	Total Finance Amount	431,500	75,523	507,023	



CLAYTON HOLDINGS, LLC

STATE & MUNICIPAL LEASE/PURCHASE AGREEMENT

Lease Number: 5000231-001

This State and Municipal Lease/Purchase Agreement (the "Lease") is made and entered into on this, the Sixth day of March, 2018, by and between Clayton Holdings, LLC with offices at 8000 Forsyth Boulevard, Suite 510, St. Louis, Missouri 63105 (herein called the "Lessor"), and the City of Nevada, Missouri with its principal address at 110 South Ash, Nevada, Missouri 64772 (herein called the "Lessee"), wherein it is agreed as follows:

1. **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 replacement parts, repairs, additions and accessories incorporated therein or affixed thereto (herein collectively called the "Equipment").
2. **DELIVERY AND ACCEPTANCE:** Lessee agrees to order the Equipment from the supplier of such Equipment, but 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 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. Lessee will 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. Lessee will have no more than thirty (30) days from the date of delivery of the Equipment to accept such Equipment. 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.
3. **TERM:** This Lease will become effective upon the execution hereof by Lessee and Lessor. The initial term of this Lease will commence on the earlier of the date Lessee executes the Acceptance Certificate or the date funds sufficient to purchase the Equipment are deposited with a bank or trust company in an escrow fund (the "Start Date") and will extend through the end of Lessee's fiscal year containing the Start Date. Unless earlier terminated as expressly provided for in this Lease, the term of this Lease will be automatically renewed 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").
4. **RENT:** Lessee agrees to pay Lessor or any Assignee (as defined in Section 22 below), 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 or any Assignee may designate in writing, from time to time) and will commence on the Start Date or as otherwise set forth in Schedule C, and the remaining Rental Payments will be payable on the same day of each consecutive month or quarter or semiannual or annual period thereafter (as designated in Schedule C) for the duration of the Lease Term. 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 or any Assignee sufficiently in advance of the payment due date for the completion thereof by Lessor or any Assignee 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 monthly rental payment or any other sums under the 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 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, THE 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, in the event that Lessee, by its use of the Equipment or by its actions or omissions or by any means whatsoever, causes any interest payments as set forth in Schedule C to be included in Lessor's gross income, 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, its Assignees and any participants with such, will be in the same after-tax position they would have been in had such payment been excluded from the gross income of Lessor, its Assignees and any participants with such 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, the Lease; (b) it has complied with all bidding and budgeting requirements where necessary and by due notification has presented this Lease 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 the 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. **LESSEE CERTIFICATION:** Lessee warrants and covenants that (i) it is a state, or a political subdivision thereof, within the meaning of Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and the related regulations and rulings thereunder; (ii) subject to Section 8 hereof, Lessee's obligation under this Lease constitutes an enforceable obligation issued by or on behalf of a state, or political subdivision thereof, such that any interest income derived under this Lease and due Lessor or its Assignee, including, but not limited to, those amounts designated as interest in Schedule C, will not be includable in the gross income of Lessor, its Assignee or any participants with such 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; (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; and (viii) Lessee's federal employer identification number below is correct.
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. It is Lessee's current intent to make the Rental Payments for the full Lease Term if funds are legally available therefore, 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 no funds or insufficient funds are appropriated and budgeted or otherwise made available for Rental Payments, including any Rental Payments required by Section 4 hereof, 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 and be rendered null and void 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 made available for Rental Payments by the Lessee 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 and any Assignee of such occurrence, but failure to give such notice will not prevent such termination. In the event of such termination, Lessee agrees to peaceably surrender possession of the Equipment to Lessor or its Assignee 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 or its Assignee may exercise all available legal and equitable rights and remedies in retaking 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, 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:** Title to the Equipment is deemed to be in Lessee so long as no Event of Default pursuant to section 19 below has occurred and/or this Lease has not been terminated pursuant to the provisions of Section 8 above. 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 19 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 the Lease, the Equipment and in all additions, attachments, accessions, accessories, replacements, improvements and substitutions thereto, now or hereafter acquired, together with all rents, issues, income, profits and proceeds thereof, including insurance proceeds; (b) agrees that financing statements evidencing such 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. Lessee further agrees that the Uniform Commercial Code will apply as between the parties hereto and Assignees of Lessor.

11. **PERSONAL PROPERTY:** 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. 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 or its Assignee 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. **INDEMNIFICATION:** To the extent permitted by law, and solely from legally available funds, Lessee agrees to indemnify Lessor against, and hold Lessor, its Assignees, or any participants with such, 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.
19. **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; or (e) Lessee is in default under any other agreement executed at any time with Lessor, its affiliates or Lessor's Assignee or under any other agreement or instrument by which it is bound.

20. **REMEDIES:** Upon the occurrence of an Event of Default, Lessor may, at its option, 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; (together with interest on such amount at the lesser of one and one-half (1 ½ %) percent per month or the maximum permitted by law from the date on which Lessor has declared this Lease to be in default; (b) by written notice to Lessee, request Lessee to (and Lessee agrees that it will), at Lessee's expense, promptly return the Equipment to Lessor in the manner set forth in Section 8 hereof, or Lessor, at its option, 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 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.

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.

21. **EARLY PURCHASE OPTION:** 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 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.

22. **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, Trustee or Agent any defense, claim, counterclaim or setoff on account of any reason whatsoever with respect to any Rental Payments or other amounts due hereunder or with respect to any action brought to obtain possession of the Equipment pursuant to this Lease.

23. **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 eighty (180) 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.

24. **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.

25. **AMENDMENTS:** This Lease may be amended or any of its terms modified for the purpose of adding Equipment, with the written consent of the parties hereto. In such event, additions to or additional Schedules attached hereto will be executed by Lessee. All other amendments or modifications of the terms of this Lease (except for the addition or serial numbers for the Equipment as set forth in the Acceptance Certificate) must be accomplished by written consent of Lessee and Lessor, or its Assignee, if any; provided, however, that no amendment of this Lease will operate to reduce or delay any Rental Payments to be made hereunder without the consent of Lessor, or its Assignee, at the time of such amendment.

26. **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.

27. **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.
28. **GOVERNING LAW:** This Lease will be governed by the provisions hereof and by the laws of the State of Missouri.
29. **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.
30. **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.
31. **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.
32. **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.
33. **CERTIFICATION AS TO ARBITRAGE:** Lessee hereby 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 one (1) year 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.
34. **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.

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.

Lessor: <u>Clayton Holdings, LLC</u>	Lessee: <u>City of Nevada, Missouri</u>
Authorized Signature: <u>[Signature]</u>	Authorized Signature: <u>[Signature]</u>
Printed Name: <u>Beth M. Blumenthal</u>	Printed Name: <u>JD Kehrman</u>
Title: <u>Officer</u>	Title: <u>City Manager</u>
Date: <u>3-16-18</u>	Date: <u>3/16/18</u>
	EIN: <u>44-6000232</u>

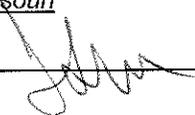
**SCHEDULE A TO
STATE & MUNICIPAL LEASE/PURCHASE AGREEMENT
Lease No. 5000231-001**

Description and Location of Equipment	Equipment Cost
One (1) One (1) New Grasshopper 400D mower – Parks Maint. Equipment Location: 510 S. Jefferson, Nevada, MO 64772 SN: <u>6816850</u>	14,579.99
Two (2) New Grasshopper 400D mowers – Sports Complex Equipment Location: 17320 E. Quail Rd., Nevada, MO 64772 SN: <u>6816848</u> SN: <u>6816849</u>	29,159.98
One (1) New Storage Shed – Recreation Equipment Location: 17320 E. Quail Rd., Nevada, MO 64772	Est 15,000.00
Four (4) New Ford Interceptors – Police Equipment Location: 120 S. Ash, Nevada, MO 64772 VIN: _____ VIN: _____ VIN: _____ VIN: _____	141,548.00 less down pymt (5,000.00) 136,548.00
New American Standard HVAC 15T – Comm. Ctr. Equipment Location: 200 N. Ash, Nevada, MO 64772 SN: <u>AYSH180G3RHA000</u>	16,783.40
One (1) New Freightliner Pumper Truck – Fire Equipment Location: 316 W. Cherry, Nevada, MO 64772 VIN: 1D9ACYFC1JDJ760429	324,952.00 less down pymt (30,000.00) 294,952.00
TOTAL	\$507,023.00

Total Equipment Cost	<u>\$507,023.00</u>
-----------------------------	----------------------------

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: City of Nevada, Missouri

Authorized Signature: _____ 

Printed Name: JD Kehrman

Title: City Manager

Date: 3/6/18

SCHEDULE C PAYMENT SCHEDULE

Lessee: City of Nevada, Missouri
 Lessor: Clayton Holdings, LLC
 Lease Number: 5000231-001
 Lease term in Months: One-Hundred Twenty (120)
 Rental Periods: Nineteen (19) Semi-Annual Payments, in Arrears
 First Payment Date: March 16, 2019
 Capital Cost of Equipment: \$507,023.00

Rental Payment Date	Payment Amount	Amount Credited to Interest	Amount Credited to Capital Cost	Outstanding Principal Balance
3/16/2019	\$49,837.38	\$16,210.11	\$33,627.27	\$473,395.73
9/16/2019	\$49,837.38	\$7,507.97	\$42,329.41	\$431,066.32
3/16/2020	\$49,837.38	\$6,836.63	\$43,000.75	\$388,065.57
9/16/2020	\$49,837.38	\$6,154.65	\$43,682.73	\$344,382.84
3/16/2021	\$49,837.38	\$5,461.85	\$44,375.53	\$300,007.31
9/16/2021	\$37,383.43	\$4,758.06	\$32,625.37	\$267,381.94
3/16/2022	\$37,383.43	\$4,240.63	\$33,142.80	\$234,239.14
9/16/2022	\$37,383.43	\$3,714.99	\$33,668.44	\$200,570.70
3/16/2023	\$37,383.43	\$3,181.01	\$34,202.42	\$166,368.28
9/16/2023	\$18,122.28	\$2,638.57	\$15,483.71	\$150,884.57
3/16/2024	\$18,122.28	\$2,393.00	\$15,729.28	\$135,155.29
9/16/2024	\$18,122.28	\$2,143.54	\$15,978.74	\$119,176.55
3/16/2025	\$18,122.28	\$1,890.12	\$16,232.16	\$102,944.39
9/16/2025	\$18,122.28	\$1,632.68	\$16,489.60	\$86,454.79
3/16/2026	\$18,122.28	\$1,371.16	\$16,751.12	\$69,703.67
9/16/2026	\$18,122.28	\$1,105.49	\$17,016.79	\$52,686.88
3/16/2027	\$18,122.28	\$835.60	\$17,286.68	\$35,400.20
9/16/2027	\$18,122.28	\$561.44	\$17,560.84	\$17,839.36
3/16/2028	<u>\$18,122.28</u>	<u>\$282.92</u>	<u>\$17,839.36</u>	\$0.00
TOTALS:	\$579,943.42	\$72,920.42	\$507,023.00	

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 internally generated funds for prepayment or if funds held under the Escrow Agreement are applied to prepayment in accordance with the terms of the Escrow Agreement.

Lessee: <u>City of Nevada, Missouri</u> Authorized Signature: _____ Printed Name: <u>JD Kehrman</u> Title: <u>City Manager</u> Date: <u>3/6/18</u>
--

WILLIAM G. McCAFFREE
ATTORNEY AT LAW
ROCKWOOD BUILDING
P.O. BOX 244
NEVADA, MISSOURI 64772
SCHEDULE D TO

TEL: (417) 667-2211
FAX (417) 667-6111

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

March 16, 2018

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

Re: State and Municipal Lease/Purchase Agreement No. 5000231-001 dated the Sixth day of March, 2018 (the "Lease"), between Clayton Holdings, LLC ("Lessor") and City of Nevada, Missouri ("Lessee").

Ladies and Gentlemen:

As legal counsel to Lessee, I have examined (a) 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 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.
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 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 **City of Nevada, Missouri** 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 components of Rental Payments are entitled to rely on this opinion.

Very truly yours,

A handwritten signature in black ink, appearing to read "Wm. G. McCaffree", with a long horizontal line extending to the right.

Wm. G. McCaffree

**SCHEDULE E TO
STATE & MUNICIPAL LEASE/PURCHASE AGREEMENT
Lease No. 5000231-001**

I, Johnna Williams (Witness), do hereby certify that I am the duly elected, or appointed and acting Secretary/Clerk of the City of Nevada, Missouri, an agency duly organized and existing under the laws of the State of Missouri (the "Lessee"), and that the following resolutions have been presented to and duly adopted by the City Council at a meeting duly and regularly held and convened in accordance with applicable law on the 6th day of March, 2018.

WHEREAS, the Lessee is entering a State and Municipal Lease/Purchase Agreement ("Lease") dated the Sixth day of March, 2018, with Clayton Holdings, LLC;

WHEREAS, Lessee has carefully reviewed its financing requirements for the current calendar year and reasonably expects that it will not issue more than ten million dollars (\$10,000,000) of tax-exempt obligations during the calendar year;

NOW, THEREFORE, be it RESOLVED, that the Lessee be, and hereby is, authorized to enter into the Lease with Clayton Holdings, LLC for a period of 120 months, and be it further

RESOLVED, that the following officials of the Lessee be, and hereby are, authorized, empowered and directed to sign on its behalf the Lease and any addenda, schedules, notes, UCC financing statements or other instruments issued under the provision of the Lease and any other instrument or document which may be necessary or expedient in connection with agreement upon or fulfillment of the provisions of the Lease.

Printed Name	Title	Signature
<u>JD Kehrman</u>	<u>City Manager</u>	<u>[Signature]</u>
<u>Kristie Modlin</u>	<u>City Treasurer</u>	<u>[Signature]</u>

RESOLVED, that pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, this Lease be and hereby is designated a "qualified tax-exempt obligation" includable within the ten million dollars (\$10,000,000) of the aggregate issues designated as "qualified tax-exempt obligations" for the calendar year within which this Lease is entered into.

RESOLVED, that Lessee shall not designate more than ten million dollars (\$10,000,000) of tax-exempt obligations during the current calendar year as qualified tax-exempt obligations and Lessee, together with its subordinate entities, does not reasonably expect to issue more than ten million dollars (\$10,000,000) of tax-exempt obligations during the current calendar year.

IN WITNESS WHEREOF, I have duly executed this certificate and affixed the seal hereto this day 6th of March, 2018.

NAME OF LESSEE: City of Nevada, Missouri

WITNESSED BY (SECRETARY/CLERK):

[Signature]
Johnna Williams

**SCHEDULE F
STATE & MUNICIPAL LEASE/PURCHASE AGREEMENT
Lease No. 5000231-001**

ESSENTIAL USE/SOURCE OF FUNDS LETTER

March 6, 2018

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

Re: State and Municipal Lease/Purchase Agreement No. 5000231-001, dated the Sixth day of March, 2018 (the "Lease"), between CLAYTON HOLDINGS, LLC ("Lessor") and the City of Nevada, Missouri ("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:

Public safety, parks improvements and maintenance of park grounds

The estimated useful life of such Equipment based upon manufacturer's representations and our projected needs is 5-25 years.

Our source of funds for payments of the Rental Payments due under the Lease for the current fiscal year is property taxes, parks sales tax.

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:

property and sales taxes are permanent revenue sources

Very truly yours,

Lessee: City of Nevada, Missouri

Authorized Signature: _____

Printed Name: JD Kehrman

Title: City Manager

Date: 3/6/18

Witness: _____

**SCHEDULE G
PROOF OF INSURANCE**

Insurance Agent Name: Alyson Thompson

Agency Name: Midwest Public Risk

Address: 19400 E Valley View Parkway Independence, MO 64055

Phone Number: 816-2952-7535

E-Mail: Alyson@mprisk.org

Ladies and Gentlemen:

Please add CLAYTON HOLDINGS, LLC as both sole loss payee 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

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

Lessee: City of Nevada, Missouri

Authorized Signature: 

Printed Name: JD Kehrman

Title: City Manager

Date: 3/16/18



CERTIFICATE OF COVERAGE

3/6/2018

This certificate is issued as a matter of information only and confers no rights upon the certificate holder.
This certificate does not amend, extend or alter the coverage afforded by the policies below.

Covered Entity: Midwest Public Risk Of Missouri 19400 E Valley View Parkway Independence, MO 64055 City of Nevada, MO	Companies affording Coverage: A. Midwest Public Risk of Missouri (Property, Liability, WC) B. Hartford Fire Insurance Company (Property) C. Governmental Entities Mutual/Munich Re America (Liability) D. Safety National (Workers' Compensation) E. CNA Equipment Breakdown
--	--

This is to certify that the coverages listed below have been issued to the member named above for the period indicated, notwithstanding any requirement, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain. The coverage described herein is subject to all the terms, exclusions and conditions of the relevant coverage document.

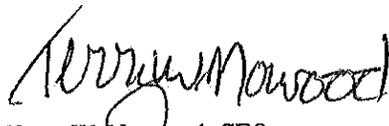
Coverage Type	Policy Number	Effective Date	Expiration Date	Covered Property	Limits
<input checked="" type="checkbox"/> Property	MPR 057	7/1/2017	6/30/2018	<input checked="" type="checkbox"/> Buildings <input checked="" type="checkbox"/> Personal Property <input checked="" type="checkbox"/> Contents <input checked="" type="checkbox"/> Inland Marine <input checked="" type="checkbox"/> Auto Physical Damage	400,000,000
<input checked="" type="checkbox"/> General Liability <input checked="" type="checkbox"/> Occurrence <input type="checkbox"/> Claims Made	MPR 057	7/1/2017	6/30/2018	Each Occurrence Medical Expense Personal/Advertising Injury Member Aggregate	3,762,789 5,000 3,762,789 6,000,000
<input checked="" type="checkbox"/> Auto Liability <input checked="" type="checkbox"/> Any Auto <input checked="" type="checkbox"/> Owned/Scheduled <input checked="" type="checkbox"/> Hired/Non-Owned <input checked="" type="checkbox"/> Drive Other Car	MPR 057	7/1/2017	6/30/2018	Combined Single Limit (per occ) Bodily Injury (per person) Bodily Injury (per occ) Property Damage (per occ)	3,762,789
<input checked="" type="checkbox"/> Cyber <input checked="" type="checkbox"/> Crime and Employee Fidelity <input checked="" type="checkbox"/> Boiler & Machinery	MPR 057	7/1/2017	6/30/2018		2,000,000 1,000,000 10,000,000
<input checked="" type="checkbox"/> Workers' Compensation	AGC4049010	7/1/2017	6/30/2018	<input checked="" type="checkbox"/> Statutory Limits <input checked="" type="checkbox"/> Employers' Liability Each Accident Policy Limit	1,000,000 1,000,000

Description of operations / locations/ vehicles / exclusions added by endorsement / special provisions:
 Clayton Holdings, LLC is both sole loss payee under the property insurance covering the equipment listed and as additional insured under the general liability insurance policy. Lease No. 5000231-001 Grasshopper Mower SN 6816850 Parks Maintenance, Grasshopper Mower SN 6816848 Sports Complex, Grasshopper Mower SN 6816849 Sports Complex, Storage Shed Sports Complex, 2018 Ford Interceptor (4) Police Dept, American Standard HVAC 15T unit SN AYSH180G3RHA000 Community Ctr, 2018 Freightliner Pumper Truck SN 1D9ACYFC1JD760429 Fire Dept

Certificate Holder:
 Clayton Holdings
 P.O. Box 11309
 St. Louis, MO 63105

 Phone 314.746.3752
 Fax 314.746.3744

Cancellation: Should any of the above described coverages be cancelled before the expiration date thereof, MPR will not be held liable or obligated to the Member, its agents or representatives.


 Terry W. Norwood, CEO

**SCHEDULE I
DISBURSEMENT AUTHORIZATION**

March 16, 2018

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

RE: Lease Number 5000231-001

Ladies and Gentlemen,

Please disburse the proceeds of the above lease as follows:

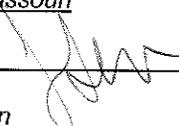
Wire or send to

PAYEE	AMOUNT
Commerce Bank Escrow Account	\$507,023.00 \$212,071.00
City of Nevada, Missouri	\$294,952.00
Total Disbursement	\$507,023.00



Sincerely,

Lessee: City of Nevada, Missouri

Authorized Signature: _____


Printed Name: JD Kehrman

Title: City Manager

Date: 3/16/18



Deep South FIRE TRUCKS INC.

P.O. Box 293 • Seminary, MS 39479-0293
2342 Highway 49 North • Collins, MS 39428
Phone (601) 722-4166 • Fax (601) 722-4168 • 48 States 1-800-727-4166



INVOICE

Sold To: City of Nevada
110 S. ASH ST.
Address: Neveada, MO 64772

Date 01-03-2018

	YEAR	MAKE	USED	MODEL or SERIES	SERIAL NO.	STOCK
Vehicle Sold	2018	DEEP SOUTH	NEW	PUMPUMPER	ID9ACYEGLJD760429	B150
Trade In						
OPTIONAL EQUIPMENT and ACCESSORIES					PRICE	\$324,952.00
					Freight	
					Federal Tax	
					Optional Equipment & Accessories	
					Title Fee	
					Sales Tax	
					TOTAL CASH PRICE	\$324,952.00
					Finance Charges	
					Mech. Ins.	
					Insurance	
					Life Insurance	
					Disability Insurance	
					Legal Fees	
					TOTAL TIME PRICE	\$324,952.00
					SETTLEMENT	
					Payment On Delivery	
					Trade-In	
					Less Lien	
					- Payments -	
					@	
					@	
					TOTAL	\$324,952.00

Kristie Martin, Treasurer
BUYER

**THIS IS A BILL OF SALE.
DEEP SOUTH FIRE TRUCKS, INC.**

Signed By: *Carolyn W Bryant*

549908362
01/04/2018
000008955036858

This is a LEGAL COPY of your check. You can use it the same way you would use the original check.

000000011745194
46154070 01/04/2018
00653034670

THE PAPER OF THIS DOCUMENT HAS A COLOR BACKGROUND OF WHITE PAPER

CITY OF NEVADA
110 SOUTH ASH STREET
NEVADA, MO 04772
(417) 448-6116

US BANK
200 EAST CHERRY
NEVADA, MO 01772

80-45(3)/1012 132781

ID NO. 01-03231 DATE 01/02/2018 CHECK NO. 132781

NET AMOUNT
\$***324,952.00

THREE HUNDRED TWENTY FOUR THOUSAND NINE HUNDRED FIFTY TWO & 00/100 DOLLARS ----

PAY TO THE ORDER OF ** DEEP SOUTH FIRE TRUCKS, INC. **
PO BOX 293
SEMINARY, MS 39479-0293

Brittany Madlen
Randy S. Mad
VOID AFTER 24 MONTHS

00000025130R
00002514
5030

00000025130R
00002514
5030

00032495200

00000025130R
00002514
5030

00032495200

00032495200

00032495200

Certificate of Origin
for a Vehicle

DEEP SOUTH FIRE TRUCKS, INC.

DATE	JANUARY 3, 2018	INVOICE NO	N/A
VEHICLE IDENTIFICATION NUMBER	1D9ACYFC1JD760429		
YEAR	2018	MAKE	DEEP SOUTH
BODY TYPE	FIRE TRUCK	SHIPPING WEIGHT	22,540
HP (S.A.E.)	350	ENGINE #	CUMMINS
GVWR	44,600	SERIES OR MODEL	PUMPER

I, the undersigned, authorized representative of the company, firm or corporation named below hereby certify that the new vehicle described above is the property of said company, firm or corporation and is transferred on the above date and under the invoice number indicated to the following distributor, dealer or end user.

NAME OF DISTRIBUTOR, DEALER, OR END USER.

DEEP SOUTH FIRE TRUCKS INC.
2342 HWY 49 N
SEMINARY, MS. 39479

This vehicle conforms to all applicable Federal Motor Vehicle Safety Standards and Environmental Protection Agency requirements in accordance with the National Highway Traffic Safety Administration.

It is further certified that this was the first transfer of such new vehicle in ordinary trade and commerce.

DEEP SOUTH FIRE TRUCKS, INC.

By *Carolyn W Bryant (agent)*
(SIGNATURE OF AUTHORIZED REPRESENTATIVE) (AGENT)

SEMINARY, MISSISSIPPI

CITY, STATE

THIS CERTIFICATE CONTAINS A WATERMARK WHICH READS:
Hold up to light to Verify: The WaterMark is visible from both sides.
The Micro-Text wording is in the center of the border
and spells out: DEEP SOUTH FIRE TRUCKS, INC.

CHIDAGO.WATERMARK.COM 16520



Each undersigned seller certifies to the best of his knowledge, information and under penalty of law that the vehicle is new and has not been registered in this or any state at the time of delivery and the vehicle is not subject to any security interest other than those disclosed herein and warrant title to the vehicle.
FOR VALUE RECEIVED I TRANSFER THE VEHICLE DESCRIBED ON THE FACE OF THIS CERTIFICATE TO:

DISTRIBUTION-DEALER ASSIGNMENT NUMBER 1	<p>NAME OF PURCHASER(S) <u>City of Nevada, Missouri</u> ADDRESS <u>110 S. Ash St Nevada, MO 64772</u> I hereby certify to the best of my knowledge that the odometer reading is _____ No Tenths <u>Deep South Fire Trucks, Inc. 20-5177426</u> BY: <u>Carolyn W Bryant</u> DEALER NAME OF DEALERSHIP DEALER LICENSE NUMBER <u>Carolyn W Bryant (agent)</u> Being duly sworn upon oath says that the statements set forth are true and correct. Subscribed and sworn before me on this date <u>1-3-2018</u> <u>Andy Bucklew</u> Notary Public State of <u>MO</u> County of <u>Lovington</u> USE NOTARIZATION ONLY IF REQUIRED IN TITLING JURISDICTION</p>
DISTRIBUTION-DEALER ASSIGNMENT NUMBER 2	<p>NAME OF PURCHASER(S) _____ ADDRESS _____ I hereby certify to the best of my knowledge that the odometer reading is _____ No Tenths DEALER NAME OF DEALERSHIP DEALER LICENSE NUMBER BY: _____ Being duly sworn upon oath says that the statements set forth are true and correct. Subscribed and sworn before me on this date _____ _____ Notary Public State of _____ County of _____ USE NOTARIZATION ONLY IF REQUIRED IN TITLING JURISDICTION</p>
DISTRIBUTION-DEALER ASSIGNMENT NUMBER 3	<p>NAME OF PURCHASER(S) _____ ADDRESS _____ I hereby certify to the best of my knowledge that the odometer reading is _____ No Tenths DEALER NAME OF DEALERSHIP DEALER LICENSE NUMBER BY: _____ Being duly sworn upon oath says that the statements set forth are true and correct. Subscribed and sworn before me on this date _____ _____ Notary Public State of _____ County of _____ USE NOTARIZATION ONLY IF REQUIRED IN TITLING JURISDICTION</p>
ODOMETER DISCLOSURE FOR RETAIL SALE	<p>Federal Law requires you to state the odometer mileage in connection with the transfer of ownership. Failure to complete or providing a false statement may result in fines and/or imprisonment. I certify to the best of my knowledge that the odometer reading is the actual mileage of the vehicle unless one of the following statements is checked. Odometer Reading <u>125</u> No Tenths <input type="checkbox"/> The mileage stated is in excess of its mechanical limits. Signature of Seller(s) <u>Carolyn W Bryant</u> <input type="checkbox"/> The Odometer reading is not the actual mileage. Printed Name of Seller(s) <u>Deep South Fire Trucks 20-5177426</u> WARNING ODOMETER DISCREPANCY Signature of Purchaser(s) <u>Kristie Madia</u> Date of Statement _____ Date of Sale _____ Printed Name of Purchaser(s) <u>Kristie Madia, Treasurer</u> Being duly sworn upon oath says that the statements set forth are true and correct. Subscribed and sworn before me on this date _____ Company Name (if Applicable) <u>City of Nevada, Missouri</u> _____ Notary Public Address of Purchaser(s) <u>110 S. Ash St Nevada MO</u> State of _____ County of _____ USE NOTARIZATION ONLY IF REQUIRED IN TITLING JURISDICTION</p>
LIENHOLDER	<p>1st Lien in favor of <u>Clayton Holdings, LLC</u> whose address is <u>8000 Forsyth Blvd. STE 510 St. Louis, MO 63105</u> 2nd Lien in favor of _____ whose address is _____</p>

VERIFY AUTHENTICITY

This document complies with AND EXCEEDS the AAMVA recommended safety features for a Certificate of Origin including:
 A CUSTOM transparent WaterMark of the company, visible from both sides of the paper. Hold up to Light to Verify.
 Change Protection: A stain will appear if information on the front is altered. Anti-Copying: Copying or scanning this document will result in the appearance of the word VOID throughout the sheet. Engraved border, Security thread, Complex colors, Microtext, Pantograph, Fluorescent ink, and other safety features.



TRANS TYPE	ANY FALSE STATEMENT IN THIS APPLICATION IS A VIOLATION OF THE LAW AND MAY BE PUNISHED BY FINE OR IMPRISONMENT OR BOTH.
<input type="checkbox"/> RENEWAL/TRANSFER PLATES	DOR USE ONLY -- REJECT NUMBER
<input type="checkbox"/> TRANSFER PLATES	
<input type="checkbox"/> NEW PLATES	LICENSE PLATE NO
<input checked="" type="checkbox"/> TITLE ONLY	BRAND CODE



MISSOURI DEPARTMENT OF REVENUE
APPLICATION FOR MISSOURI TITLE AND LICENSE

TITLE AND NOTICE OF LIEN
(No complete change of ownership)

ORIGINAL (1) <input checked="" type="checkbox"/>	DUPLICATE (2) <input type="checkbox"/>	NON-NEGOT. (3) <input type="checkbox"/>	PRIOR SALVAGE <input type="checkbox"/>	CORRECTED (5) <input type="checkbox"/>	MECHANIC LEND (6) <input type="checkbox"/>	SALVAGE (9) <input type="checkbox"/>	DUP. SALVAGE (10) <input type="checkbox"/>	JUNK (A) <input type="checkbox"/>	DUP. JUNK (B) <input type="checkbox"/>	TRANSFER ON DEATH (TOD) <input type="checkbox"/>	TENANTS IN COMMON <input type="checkbox"/>	
OWNER'S NAME - LAST, FIRST, MIDDLE (ONLY FIRST 50 POSITIONS WILL PRINT ON TITLE) INCLUDING TOD City of Nevada, Missouri						TOD BENEFICIARIES, IF APPLICABLE						
STREET ADDRESS (MUST BE A PHYSICAL ADDRESS - CANNOT BE A PO BOX OR RURAL ROUTE) 110 S Ash St						COUNTY Vernon	FLEET NUMBER F	L/R NUMBER LR				
CITY Nevada			STATE MO	ZIP CODE 64772		<input checked="" type="checkbox"/> IN CITY LIMITS	<input type="checkbox"/> OUTSIDE CITY LIMITS	TELEPHONE NUMBER (417) 448-5503				
E-MAIL: kmodlin@nevadamo.gov						DLN OR FEIN NUMBER 44-6000232		PRICE \$ 324,952.00				
YEAR 2018	MAKE Deep South	VEHICLE IDENTIFICATION NUMBER (IF TYPING, DISREGARD BLOCK CONSTRAINTS) 1 D 9 A C Y F C 1 J D 7 6 0 4 2 9					BODY STYLE Fire Truck	REBATE \$				
COLOR Red	FUEL D	S-GAS D-DIESEL N-NAT. GAS O-OTHER	L-LP. PROPANE E-ELECTRIC V-PLUG-IN HYBRID ELEC. VEHICLE	GVWR OVER 10,000 LBS. <input checked="" type="checkbox"/> YES	IF NEW, LIST GVWR 44,600	MILEAGE 125	ENTER AUPRAT OR TYPE GVWTR	CODE	PURCHASE DATE 01/03/2018	VEHICLE TRADE-IN \$		
KIND OF VEHICLE P-PASSENGER M-MOTORCYCLE T-TRUCK C-TRICYCLE D-TRAILER R-REC. VEHICLE B-BUS A-ATV		<input checked="" type="checkbox"/> NEW <input type="checkbox"/> USED (MSO)	SURRENDERED TITLE NO.	STATE	ZONE L	L-LOCAL S-SHUTTLE F-FARM T-TRANSIT	GR. WT. OR SEATING CAPACITY	OTHER CREDIT \$		NET PRICE \$ 324,952.00		
FIRST LIEN <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO		SECURITY AGREEMENT DATE 03/06/2018	MAIL TO LIENHOLDER (B) <input type="checkbox"/>	LIENHOLDER'S PHONE NO.	SECOND LIEN <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	MAIL TO ALTERNATE ADDRESS BELOW. DO NOT USE IF SECOND LIEN OR SUBJECT TO FUTURE ADVANCES.						
1 FIRST LIEN Clayton Holdings, LLC				2 SECOND LIEN/MAIL TO				<input type="checkbox"/> STFA		SECURITY AGREEMENT DATE		
STREET ADDRESS, R.R. OR P.O. BOX NUMBER 8000 Forsyth Blvd. Ste 510				STREET ADDRESS, R.R. OR P.O. BOX NUMBER				CITY		STATE		ZIP CODE
CITY St. Louis		STATE MO	ZIP CODE 63105	CITY		STATE	ZIP CODE	FEES				
TRADE-IN TRANSFER <input type="checkbox"/> TRADE-IN <input type="checkbox"/> LICENSE TRANSFER <input type="checkbox"/> OTHER CREDIT		YEAR	MAKE	LICENSE NUMBER	EXP. YEAR	FIRST LIENHOLDER AUTHORIZES SECOND LIEN BY SIGNING HERE: <input type="checkbox"/>						
OWNER SIGNATURE If this motor vehicle is registered at the time application for title is made, my signature shall certify that I have and will maintain, during the period of registration, financial responsibility with respect to each motor vehicle that I own, license, or operate on the streets or highways. You must present your insurance card or other acceptable proof of financial responsibility. Any false affidavit is a crime under Section 575.050 of Missouri law.		VEHICLE IDENTIFICATION NUMBER		H.P.	TITLE NUMBER	SIGNATURE OF ONE OWNER REQUIRED "I CERTIFY UNDER PENALTY OF PERJURY THAT THE FACTS HEREIN ARE TRUE TO THE BEST OF MY KNOWLEDGE." <i>[Signature]</i>						
DEALER INFO. MO DEALER NUMBER 20-5177436		DEALERSHIP NAME DEEP SOUTH FIRE TRUCKS INC		CITY, STATE, ZIP CODE SEMINARY, MS 39479		TRADE-IN <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO		DATE 01/03/2018				
NOTARY - DUPLICATE TITLE ONLY NOTARY PUBLIC EMBOSSEER OR BLACK RUBBER STAMP SEAL		DUPLICATE TITLE ONLY - COMPLETE REASON AND NOTARIZE. NOTARY INFORMATION APPLIES TO APPLICANT'S SIGNATURE. <input type="checkbox"/> LOST <input type="checkbox"/> STOLEN <input type="checkbox"/> MUTILATED (ATTACH MUTILATED TITLE) <input type="checkbox"/> NEVER RECEIVED - LOST IN MAIL		STATE		COUNTY (OR CITY OF ST. LOUIS)		IF EXEMPT FROM STATE OR LOCAL TAXES, ENTER EXEMPTION CODE HERE: #3		FUND DONATIONS \$		
OFFICE VALIDATION		NOTARY PUBLIC SIGNATURE		DAY OF		MY COMMISSION EXPIRES		NOTARY PUBLIC NAME (TYPED OR PRINTED)		TITLE/QUICK FEE \$ 2.50		
APPROVE <input type="checkbox"/> APPROVE <input type="checkbox"/> REJECT		FOR OFFICE USE ONLY <input type="checkbox"/> FHVT WGT. OF PLATES FORM 2299		PP <input type="checkbox"/> INS <input type="checkbox"/> FEW <input checked="" type="checkbox"/> SAFETY <input checked="" type="checkbox"/> EMISSION		DIST. AMT. \$		SITE CODE		LOCAL TAX \$		
PROCESSED BY		MILEAGE DATE		SURRENDERED PLATE NUMBER		SURRENDERED PLATE CREDIT		SUBTOTAL \$ 2.5000		PROCESSING OR AGENT FEE \$ 2.50		
								TOTAL \$ 13.5000		NOL PROCESSING FEE \$ 2.50		

Information Return for Tax-Exempt Governmental Obligations

▶ Under Internal Revenue Code section 149(e)
 ▶ See separate instructions.

Caution: If the issue price is under \$100,000, use Form 8038-GC.

OMB No. 1545-0720

Part I Reporting Authority

If Amended Return, check here

1 Issuer's name City of Nevada, Missouri		2 Issuer's employer identification number (EIN) 44-6000232
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions) David S. Martin, Gilmore & Bell, P.C., Bond Counsel		3b Telephone number of other person shown on 3a 816-221-1000
4 Number and street (or P.O. box if mail is not delivered to street address) 2405 Grand Boulevard	Room/suite 1100	5 Report number (For IRS Use Only) 3
6 City, town, or post office, state, and ZIP code Kansas City, Missouri 64108		7 Date of issue 03/16/2018
8 Name of issue State & Municipal Lease/Purchase Agreement Lease No. 5000231-001		9 CUSIP number None
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) Kristie Modlin, City Treasurer		10b Telephone number of officer or other employee shown on 10a 417-448-5503

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

11 Education		
12 Health and hospital		
13 Transportation		
14 Public safety		
15 Environment (including sewage bonds)		
16 Housing		
17 Utilities		
18 Other. Describe ▶ Public Safety Equipment, Improvements to Parks & Recreation facilities	507,023	00
19 If obligations are TANs or RANs, check only box 19a	<input type="checkbox"/>	
If obligations are BANs, check only box 19b	<input type="checkbox"/>	
20 If obligations are in the form of a lease or installment sale, check box	<input type="checkbox"/>	

Part III Description of Obligations. 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	03/16/2028	\$ 507,023.00	\$ 507,023.00	4.5262 years	3.1719 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22 Proceeds used for accrued interest		22	0	00
23 Issue price of entire issue (enter amount from line 21, column (b))		23	507,023	00
24 Proceeds used for bond issuance costs (including underwriters' discount)	24	0	00	
25 Proceeds used for credit enhancement	25	0	00	
26 Proceeds allocated to reasonably required reserve or replacement fund	26	0	00	
27 Proceeds used to currently refund prior issues	27	0	00	
28 Proceeds used to advance refund prior issues	28	0	00	
29 Total (add lines 24 through 28)		29	0	00
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)		30	507,023	00

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

31 Enter the remaining weighted average maturity of the bonds to be currently refunded	▶	_____ years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	▶	_____ years
33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)	▶	_____
34 Enter the date(s) the refunded bonds were issued (MM/DD/YYYY)	▶	_____

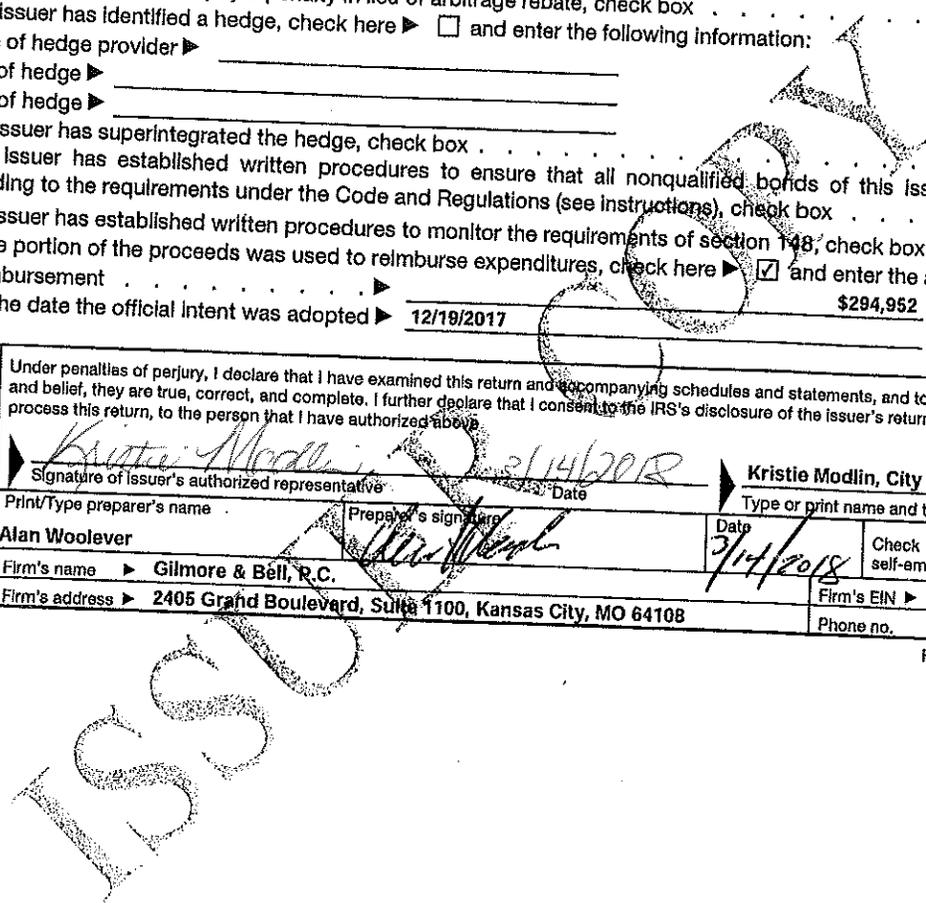
For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 63773S

Form **8038-G** (Rev. 9-2011)

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 ▶ _____		
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 obligation ▶ _____		
c	Enter the EIN of the issuer of the master pool obligation ▶ _____		
d	Enter the name of the issuer of the master pool obligation ▶ _____		
39	If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box		<input checked="" type="checkbox"/>
40	If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box		<input checked="" type="checkbox"/>
41a	If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information:		<input type="checkbox"/>
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 checked="" type="checkbox"/>
45a	If some portion of the proceeds was used to reimburse expenditures, check here <input checked="" type="checkbox"/> and enter the amount of reimbursement ▶ <u>\$294,952</u>		<input checked="" type="checkbox"/>
b	Enter the date the official intent was adopted ▶ <u>12/19/2017</u>		



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: <u>Kristie Modlin</u> Date: <u>3/14/2018</u>	Kristie Modlin, City Treasurer		
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Type or print name and title
	Alan Woolever	<u>[Signature]</u>	<u>3/14/2018</u>	
	Firm's name ▶ Gilmore & Bell, P.C.			Check <input type="checkbox"/> if self-employed PTIN <u>P01082536</u>
	Firm's address ▶ 2405 Grand Boulevard, Suite 1100, Kansas City, MO 64108			Firm's EIN ▶ <u>43-1611738</u> Phone no. <u>816-221-1000</u>

ESCROW AGREEMENT

This Escrow Agreement (the "Escrow Agreement"), dated as of the Sixth day of March, 2018, and entered into among **Clayton Holdings, LLC**, a Missouri limited liability company (together with its successors and assigns, "Lessor"), **City of Nevada, Missouri**, a municipal corporation and political subdivision existing under the laws of Missouri ("Lessee"), and **Commerce Bank**, a Missouri banking corporation, as escrow agent (together with its successors and assigns, the "Escrow Agent").

Name of Acquisition Fund: "Nevada MO CH Sch. 001 "

Amount of Deposit into the Acquisition Fund: ~~\$507,020.00~~ \$212,071.00



TERMS AND CONDITIONS

1. This Escrow Agreement relates to and is hereby made a part of the State and Municipal Lease/Purchase Agreement dated as of the Sixth day of March, 2018, (the "Lease"), between Lessor and Lessee.

2. Except as otherwise defined herein, all terms defined in the Lease shall have the same meaning for the purposes of this Escrow Agreement as in the Lease.

3. Lessor, Lessee and the Escrow Agent agree that the Escrow Agent will act as sole Escrow Agent under the Lease and this Escrow Agreement, in accordance with the terms and conditions set forth in this Escrow Agreement. The Escrow Agent shall not be deemed to be a party to the Lease, and this Escrow Agreement shall be deemed to constitute the entire agreement between Lessor and Lessee and the Escrow Agent.

4. There is hereby established in the custody of the Escrow Agent a special trust fund designated as set forth above (the "Acquisition Fund") to be held and administered by the Escrow Agent in trust for the benefit of Lessor and Lessee in accordance with this Escrow Agreement.

5. Lessor shall deposit in the Acquisition Fund the amount specified above. Moneys held by the Escrow Agent hereunder shall be invested and reinvested by the Escrow Agent upon written order of an authorized Lessee representative, in accordance with the Arbitrage Instructions attached as **Exhibit A**, in Qualified Investments (as defined below) maturing or subject to redemption at the option of the holder thereof prior to the date on which it is expected that such funds will be needed. If an Authorized Lessee Representative fails to timely direct the investment of any moneys held hereunder, the Escrow Agent shall invest and reinvest such moneys in Qualified Investments described in 6(vi) below. Such investments shall be held by the Escrow Agent in the Acquisition Fund; any interest and gain earned on such investments shall be deposited in the Acquisition Fund, and any losses on such investments shall be charged to the Acquisition Fund. The Escrow Agent may act as purchaser or agent in the making or disposing of any investment. Qualified Investments described in 6(vi) below will be subject to an annualized sweep fee charged monthly to the earnings on monies invested.

6. "Qualified Investments" means, to the extent the same are at the time legal for investment of the funds being invested: (i) direct general obligations of the United States of America; (ii) obligations the timely payment of principal of and interest on which is fully and unconditionally guaranteed by the United States of America; (iii) general obligations of the agencies and instrumentalities of the United States of America acceptable to Lessor; (iv) certificates of deposit, time deposits or demand deposits with any bank or savings institution including the Escrow Agent or any affiliate thereof, provided that such certificates of deposit, time deposits or demand deposits, if not insured by the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation, are fully secured by obligations described in (i), (ii) or (iii) above; or (v) repurchase agreements with any state or national bank or trust company, including the Escrow Agent or any affiliate thereof, that are secured by obligations of the type described in (i), (ii) or (iii)

above, provided that such collateral is free and clear of claims of third parties and that the Escrow Agent or a third party acting solely as agent for the Escrow Agent has possession of such collateral and a perfected first security interest in such collateral; or (vi) money market mutual funds that are invested in securities described in (i), (ii) or (iii) and that are rated "Aaa" by Moody's Investors Service or "AAAm-G" by Standard & Poor's Ratings Services or the comparable rating by Fitch IBCA, Inc.

7. Moneys in the Acquisition Fund shall be used to pay for the cost of acquisition of the Equipment listed in the Lease. Such payment shall be made from the Acquisition Fund upon presentation to the Escrow Agent of one or more properly executed Payment Request and Acceptance Certificates, a form of which is attached as **Exhibit B**, executed by Lessee and approved by Lessor, together with an invoice for the cost of the acquisition of said Equipment and a written approval by Lessor of the Vendor be paid. In making any disbursement pursuant to this **Section 7**, the Escrow Agent may conclusively rely as to the completeness and accuracy of all statements in such Payment Request and Acceptance Certificate, and the Escrow Agent shall not be required to make any inquiry, inspection or investigation in connection therewith. The approval of each Payment Request and Acceptance Certificate by the Lessor shall constitute unto the Escrow Agent an irrevocable determination by the Lessor that all conditions precedent to the payment of the amounts set forth therein have been completed.

8. The Acquisition Fund shall terminate upon the occurrence of the earlier of (a) the presentation of a proper Payment Request and Acceptance Certificate and the Final Acceptance Certificate, a form of which is attached as **Exhibit C**, properly executed by Lessee, or (b) the presentation of written notification by the Lessor, or, if the Lessor shall have assigned its interest under the Lease, then the assignees or subassignees of all of Lessor's interest under the Lease or an Agent on their behalf, that the Lease has been terminated pursuant to **Section 8** or **20** of the Lease. Upon termination as described in clause (a) of this paragraph, any amount remaining in the Acquisition Fund shall be used to prepay the principal portion of Rental Payments 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 components of Rental Payments from gross income for federal income tax purposes. If any such amount is used to prepay principal, the Rental Payment Schedule attached to the Lease shall be revised accordingly as specified by Lessor. Upon termination as described in clause (b) of this paragraph, any amount remaining in the Acquisition Fund shall immediately be paid to Lessor or to any assignees or subassignees of Lessor interest in this Lease.

9. The Escrow Agent may at any time resign by giving at least 30 days written notice to Lessee and Lessor, but such resignation shall not take effect until the appointment of a successor Escrow Agent. The substitution of another bank or trust company to act as Escrow Agent under this Escrow Agreement may occur by written agreement of Lessor and Lessee. In addition, the Escrow Agent may be removed at any time, with or without cause, by an instrument in writing executed by Lessor and Lessee. In the event of any resignation or removal of the Escrow Agent, a successor Escrow Agent shall be appointed by an instrument in writing executed by Lessor and Lessee. Such successor Escrow Agent shall indicate its acceptance of such appointment by an instrument in writing delivered to Lessor, Lessee and the predecessor Escrow Agent. Thereupon such successor Escrow Agent shall, without any further act or deed, be fully vested with all the trusts, powers, rights, duties and obligations of the Escrow Agent under this Escrow Agreement and the predecessor Escrow Agent shall deliver all moneys and securities held by it under this Escrow Agreement to such successor Escrow Agent whereupon the duties and obligations of the predecessor Escrow Agent shall cease and terminate. If a successor Escrow Agent has not been so appointed within 90 days of such resignation or removal, the Escrow Agent may petition a court of competent jurisdiction to have a successor Escrow Agent appointed.

10. Any corporation or association into which the Escrow Agent may be merged or converted or with or into which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any merger, conversion, sale, consolidation or transfer to which it is a party, shall be and become successor Escrow Agent hereunder and shall be vested with all the trusts, powers, rights, obligations, duties, remedies, immunities and privileges hereunder as was its predecessor, without the execution or filing of any instrument or any further act on the part of any of the parties hereto.

11. The Escrow Agent incurs no responsibility to make any disbursements pursuant to the Escrow Agreement except from funds held in the Acquisition Fund. The Escrow Agent makes no representations or warranties as to the title to any Equipment listed in the Lease or as to the performance of any obligations of Lessor or Lessee.

12. The Escrow Agent may act in reliance upon any writing or instrument or signature which it, in good faith, believes to be genuine, may assume the validity and accuracy of any statement or assertion contained in such a writing or instrument, and may assume that any person purporting to give any writing, notice, advice or instructions in connection with the provisions hereof has been duly authorized to do so. The Escrow Agent shall not be liable in any manner for the sufficiency or correctness as to form, manner and execution, or validity of this Escrow Agreement other than its own execution thereof or any instrument deposited with it, nor as to the identity, authority or right of any person executing the same; and its duties hereunder shall be limited to those specifically provided herein.

13. Unless the Escrow Agent is guilty of negligence or willful misconduct with regard to its duties hereunder, Lessee, to the extent permitted by law, and Lessor jointly and severally hereby agree to indemnify the Escrow Agent and hold it harmless from any and all claims, liabilities, losses, actions, suits or proceedings at law or in equity, or any other expense, fees or charges of any character or nature, which it may incur or with which it may be threatened by reason of its acting as Escrow Agent under this Escrow Agreement; and in connection therewith, to indemnify the Escrow Agent against any and all expenses, including reasonable attorneys' fees and the cost of defending any action, suit or proceeding or resisting any claim.

14. The aggregate amount of the costs, fees, and expenses of the Escrow Agent in connection with the creation of the escrow described in and created by this Escrow Agreement and in carrying out any of the duties, terms or provisions of this Escrow Agreement is a one-time fee in the amount of \$0.00 to be paid by Lessee concurrently with the execution and delivery of this Escrow Agreement.

Notwithstanding the preceding paragraph, the Escrow Agent shall be entitled to reimbursement from Lessor of reasonable out-of-pocket, legal or extraordinary expenses incurred in carrying out the duties, terms or provisions of this Escrow Agreement. Claims for such reimbursement may be made to Lessor and in no event shall such reimbursement be made from funds held by the Escrow Agent pursuant to this Escrow Agreement. The Escrow Agent agrees that it will not assert any lien whatsoever on any of the money or Qualified Investments on deposit in the Escrow Fund for the payment of fees and expenses for services rendered by the Escrow Agent under this Escrow Agreement or otherwise.

15. If Lessee, Lessor or the Escrow Agent shall be in disagreement about the interpretation of the Lease or this Escrow Agreement, or about the rights and obligations, or the propriety of any action contemplated by the Escrow Agent hereunder, the Escrow Agent may, but shall not be required to, file an appropriate civil action to resolve the disagreement. The Escrow Agent shall be indemnified by Lessor and Lessee, to the extent permitted by law, for all costs, including reasonable attorneys' fees and expenses, in connection with such civil action, and shall be fully protected in suspending all or part of its activities under this Escrow Agreement until a final judgment in such action is received.

16. The Escrow Agent may consult with counsel of its own choice and shall have full and complete authorization and protection for any action or non-action taken by the Escrow Agent in accordance with the opinion of such counsel. The Escrow Agent shall otherwise not be liable for any mistakes of facts or errors of judgment, or for any acts or omissions of any kind unless caused by its negligence or willful misconduct.

17. This Escrow Agreement shall be governed by and construed in accordance with the laws of the state in which the Escrow Agent is located.

18. In the event any provision of this Escrow Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

19. This Escrow Agreement may not be amended except by a written instrument executed by Lessor, Lessee and the Escrow Agent.

20. This Escrow Agreement may be executed in several counterparts, each of which so executed shall be an original.

IN WITNESS WHEREOF, Lessor, Lessee and the Escrow Agent have caused this Escrow Agreement to be executed by their duly authorized representatives.

Clayton Holdings, LLC

LESSOR

By: _____

Title: _____

City of Nevada, Missouri

LESSEE

By: _____

Printed Name: JD Kehrman

Title: City Manager

Commerce Bank

ESCROW AGENT

By: _____

Title: _____

SENIOR VICE PRESIDENT

EXHIBIT A

ARBITRAGE INSTRUCTIONS

These Arbitrage Instructions provide procedures for complying with § 148 of the Internal Revenue Code of 1986, as amended (the "Code"), in order to preserve the exclusion from federal gross income of the interest portions of the Rental Payments under the Lease.

1. **Temporary Period/Yield Restriction.** Except as described in this paragraph, money in the Acquisition Fund must not be invested at a yield greater than the yield on the Lease. Proceeds of the Lease in the Acquisition Fund and investment earnings on such proceeds may be invested without yield restriction for three years after the Start Date of the Lease. If any unspent proceeds remain in the Acquisition Fund after three years, such amounts may continue to be invested without yield restriction so long as Lessee pays to the IRS all yield reduction payments under § 1.148-5(c) of the Treasury Regulations.

2. **Opinion of Bond Counsel.** These Arbitrage Instructions may be modified or amended in whole or in part upon receipt of an opinion of nationally recognized counsel in the area of tax-exempt municipal obligations, satisfactory to Lessor, that such modifications and amendments will not adversely affect the exclusion of the interest components of Rental Payments from gross income for federal income tax purposes.



Clayton Holdings, LLC

March 22, 2018

Kristie Modlin, City Treasurer
City of Nevada, Missouri
110 South Ash
Nevada, MO 64772

RE: State & Municipal Lease/Purchase Agreement No. 5000231-001, dated March 14, 2018

Dear Kristie,

We would like to thank you for choosing Clayton Holdings, LLC for your recent equipment financing.

For your files, we have enclosed copies or originals (as stated below) of the various documents executed by the City and Clayton Holdings, LLC in connection with the above-referenced transaction.

- Municipal Lease with all Schedules
- Schedule C payment schedule

Invoices will be sent to you approximately 15 days prior to the payment due date as shown on Schedule C.

Please be aware that ALL payments will be due on the dates indicated on Schedule C. You should contact us immediately if this information differs from your understanding of our agreement. According to the agreement and our records, your first payment in the amount of \$49,837.38 is due March 16, 2019.

We appreciate the opportunity to serve you, and would like to do so again in the future. Should you have any questions regarding your account, please contact Alice Scherder at 314-746-3752, and she will be happy to assist you.

Very truly yours,

Frank D. Hill
Director, Tax Exempt-Leasing
Phone: 785-587-1541
frank.hill@commercebank.com

Alice Scherder
Contract Administrator
Phone: 314-746-3752
alice.scherder@commercebank.com