



# Clayton Holdings, LLC

8000 Forsyth Boulevard  
St. Louis, Missouri 63105-1797  
(314) 746-3795

09/25/12

City of Tempe  
Procurement Office  
Michael Greene, C.P.M.  
20 E. Sixth Street  
2<sup>nd</sup> Floor  
Tempe, AZ 85281

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

**Type of Financing:** A tax-exempt, State and Municipal Lease/ Purchase Agreement (the "Lease").

**Lessor:** Clayton Holdings, LLC- Contracting Party

**LESSEE:** City of Tempe, AZ

**Equipment:** New golf course vehicle maintenance equipment to include:  
Greens mowers, rough mowers, bunker rakes, people moving vehicles, and a vehicle blower.

**Total Finance Amount:** \$379,522.80

**Commencement Date:** On or before 11/15/2012

**Base Term:** Four (4) Years – 48 months

**Interest Rate:** 1.77% Rate lock is good until 11/15/2012

**Payment Amount:** \$8,183.68 (48 Payments, 1<sup>st</sup> due at closing)

**Payment Frequency:** Monthly/Advance  
\*First Payment is due at closing

**Interest Rate Adjustment:** The above quoted interest rate is based on a spread over the four (4) year Interest Rate Swap as quoted in the Federal Reserve Statistical Release H.15 (the "Index"). For Purposes of this proposal, the Four (4) Year interest rate swap as of 09/13/2012 is 0.60%.

Lessor reserves the right, but has no obligation, to adjust the Interest Rate after 11/15/2012 based on changes in the Index between the Quote Date and the Commencement Date. The adjustment, if made, would preserve Lessor's original lease investment assumption on a nominal pre-tax yield basis.

**Early purchase Option:** In the event Lessee desires to prepay this lease, they may do so in whole, but not in part at par. There is no prepayment penalty on the financing.

**Titles/Liens:** Lessor shall have a perfected security interest in the Equipment.

- Non-appropriation:** The Lease shall provide for Lessee to terminate the agreement at the end of any fiscal period if insufficient funds are available to make the scheduled Rental Payments due in the following fiscal period.
- Documentation:** Shall be provided by Lessee. Funding of the Lease is contingent, in part; upon receipt and review by Lessor of executed Lease documentation in form acceptable to Lessor. We propose the form of Lease as reviewed and negotiated with Gust Rosenfeld.
- Bank Qualified:** The Transaction is expected to be Non-Bank Qualified.
- Net Lease:** The lease shall be a net lease in all respects, and Lessee shall be responsible for all fees, charges, assessments or other costs and expenses of every nature whatsoever arising from the lease of the Equipment.
- Not a Commitment:** The terms set forth herein reflect a proposed, preliminary structure and are subject to final credit approval by Commerce Bank and the negotiation of mutually acceptable documentation. These terms are being provided to the Lessee with the understanding that neither the terms nor their substance shall constitute a definitive agreement or an exhaustive statement of all terms and conditions which may ultimately be included in a transaction among Lessee and Lessor. This is a proposal only and not a commitment to lend. Final approval and funding of the transaction is based on a formal credit review by Lessor, including final lease documentation acceptable to both Lessee and Lessor.

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

Thank you for the opportunity to offer this proposal. We appreciate your consideration and look forward to your favorable response. Should you have any questions, please do not hesitate to contact us.

Respectfully submitted,



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

To accept this proposal, please sign below and fax a copy to 785-587-1586.

ACCEPTED: **City of Tempe, AZ**

BY: \_\_\_\_\_

TITLE: \_\_\_\_\_

DATE: \_\_\_\_\_

Compound Period: Monthly

Nominal Annual Rate: 1.770%

CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1 Loan	11/15/2012	379,522.80	1		
2 Payment	11/15/2012	8,183.68	48	Monthly	10/15/2016

AMORTIZATION SCHEDULE - Normal Amortization, 360 Day Year

	Date	Payment	Interest	Principal	Balance
Loan	11/15/2012				379,522.80
1	11/15/2012	8,183.68	0.00	8,183.68	371,339.12
2	12/15/2012	8,183.68	547.73	7,635.95	363,703.17
2012 Totals		16,367.36	547.73	15,819.63	
3	1/15/2013	8,183.68	536.46	7,647.22	356,055.95
4	2/15/2013	8,183.68	525.18	7,658.50	348,397.45
5	3/15/2013	8,183.68	513.89	7,669.79	340,727.66
6	4/15/2013	8,183.68	502.57	7,681.11	333,046.55
7	5/15/2013	8,183.68	491.24	7,692.44	325,354.11
8	6/15/2013	8,183.68	479.90	7,703.78	317,650.33
9	7/15/2013	8,183.68	468.53	7,715.15	309,935.18
10	8/15/2013	8,183.68	457.15	7,726.53	302,208.65
11	9/15/2013	8,183.68	445.76	7,737.92	294,470.73
12	10/15/2013	8,183.68	434.34	7,749.34	286,721.39
13	11/15/2013	8,183.68	422.91	7,760.77	278,960.62
14	12/15/2013	8,183.68	411.47	7,772.21	271,188.41
2013 Totals		98,204.16	5,689.40	92,514.76	
15	1/15/2014	8,183.68	400.00	7,783.68	263,404.73
16	2/15/2014	8,183.68	388.52	7,795.16	255,609.57
17	3/15/2014	8,183.68	377.02	7,806.66	247,802.91
18	4/15/2014	8,183.68	365.51	7,818.17	239,984.74
19	5/15/2014	8,183.68	353.98	7,829.70	232,155.04
20	6/15/2014	8,183.68	342.43	7,841.25	224,313.79
21	7/15/2014	8,183.68	330.86	7,852.82	216,460.97
22	8/15/2014	8,183.68	319.28	7,864.40	208,596.57
23	9/15/2014	8,183.68	307.68	7,876.00	200,720.57
24	10/15/2014	8,183.68	296.06	7,887.62	192,832.95
25	11/15/2014	8,183.68	284.43	7,899.25	184,933.70
26	12/15/2014	8,183.68	272.78	7,910.90	177,022.80
2014 Totals		98,204.16	4,038.55	94,165.61	

27	1/15/2015	8,183.68	261.11	7,922.57	169,100.23
28	2/15/2015	8,183.68	249.42	7,934.26	161,165.97
29	3/15/2015	8,183.68	237.72	7,945.96	153,220.01
30	4/15/2015	8,183.68	226.00	7,957.68	145,262.33
31	5/15/2015	8,183.68	214.26	7,969.42	137,292.91
32	6/15/2015	8,183.68	202.51	7,981.17	129,311.74
33	7/15/2015	8,183.68	190.73	7,992.95	121,318.79
34	8/15/2015	8,183.68	178.95	8,004.73	113,314.06
35	9/15/2015	8,183.68	167.14	8,016.54	105,297.52
36	10/15/2015	8,183.68	155.31	8,028.37	97,269.15
37	11/15/2015	8,183.68	143.47	8,040.21	89,228.94
38	12/15/2015	8,183.68	131.61	8,052.07	81,176.87
2015 Totals		98,204.16	2,358.23	95,845.93	
39	1/15/2016	8,183.68	119.74	8,063.94	73,112.93
40	2/15/2016	8,183.68	107.84	8,075.84	65,037.09
41	3/15/2016	8,183.68	95.93	8,087.75	56,949.34
42	4/15/2016	8,183.68	84.00	8,099.68	48,849.66
43	5/15/2016	8,183.68	72.05	8,111.63	40,738.03
44	6/15/2016	8,183.68	60.09	8,123.59	32,614.44
45	7/15/2016	8,183.68	48.11	8,135.57	24,478.87
46	8/15/2016	8,183.68	36.11	8,147.57	16,331.30
47	9/15/2016	8,183.68	24.09	8,159.59	8,171.71
48	10/15/2016	8,183.68	11.97	8,171.71	0.00
2016 Totals		81,836.80	659.93	81,176.87	
Grand Totals		392,816.64	13,293.84	379,522.80	

Last interest amount decreased by 0.08 due to rounding.