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August 6, 2015

Pinnacle Public Finance, Inc.
8377 East Hartford Drive, Suite 115
Scottsdale, AZ 85255

Re: *Schedule of Property No.3, dated August 18, 2015 to Master Equipment Lease Purchase Agreement dated as of August 18, 2015 between Pinnacle Public Finance, Inc., as **Lessor**, and Town of Payson, as **Lessee***

Ladies and Gentlemen:

As in-house legal counsel to Town of Payson, (the "**Lessee**"), I have examined (a) an executed counterpart of a certain Master Equipment Lease Purchase Agreement (the "Agreement") dated as of August 18, 2015 and Exhibits thereto by and between Pinnacle Public Finance, Inc. and Town of Payson and an executed counterpart of Schedule of Property No. 3 dated August 18, 2015 by and between **Lessor** and **Lessee** (the "**Schedule**"), which, among other things, provides for the lease with option to purchase to the Lessee of certain property listed in the Schedule (the "**Equipment**"), (b) an executed counterpart of **Resolution No. 2874** of Lessee which, among other things, authorize Lessee to execute the Agreement and the Schedule and (c) such other opinions, documents and matters of law as I have deemed necessary in connection with the following opinion. The Schedule and the terms and provisions of the Agreement incorporated therein by reference together with the Rental Payment Schedule attached to the Schedule are herein referred to collectively as the "**Lease**".

In rendering this opinion, the Town of Payson Legal Department has assumed without inquiry:

- (a) The authenticity of all documents submitted to us as copies of the originals, and the conformity of such copies to the originals as they are finally executed and delivered by **Lessee** and **Lessor**;
- (b) That the Lease has been or will be duly authorized, executed and delivered by **Lessor**;
- (c) That the Lease constitutes valid, legal and binding obligations of **Lessor** enforceable against **Lessor** in accordance with its terms; and
- (d) That the Lease accurately describes and contains the mutual understandings of the parties, and that there are not oral or written statements or agreements that modify, amend or vary, or purport to modify, amend or vary, any of the terms thereof.

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

- (1) **Lessee** is a public body corporate and politic, duly organized and existing under the laws of the State, or has a substantial amount of one the following sovereign powers: (a) the power to tax, (b) the power of eminent domain, or (c) police power;
- (2) The name of the **Lessee** contained in the Lease is the correct legal name of the Lessee;
- (3) **Lessee** has the requisite power and authority to lease and acquire the Equipment with an option to purchase and to execute and deliver the Lease and to perform its obligations under the Lease;
- (4) The Lease has been duly authorized, approved, executed, and delivered by and on behalf of **Lessee** and the Lease is a legal, valid and binding obligation of **Lessee** enforceable in accordance with its terms, subject to (i) all applicable bankruptcy, reorganization, insolvency, fraudulent conveyance, moratorium and other similar laws; (ii) the qualification that certain waivers, restrictions and remedies provided for in this Lease, including without limitation certain indemnification obligations, may be wholly or partially unenforceable under Arizona law; and (iii) general principles of equity.
- (5) The authorization, approval, execution, and delivery 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 laws; and
- (6) To the best of my knowledge, 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 hereunder.

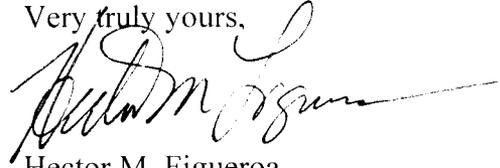
All of the opinions set forth above are also subject to the following qualifications, limitations and exceptions:

- (7) The opinions expressed herein are limited to matters governed by the laws of the State of Arizona. No opinion is expressed regarding the laws of any other jurisdiction.
- (8) The opinions expressed herein are based upon the law in effect on the date hereof, and we assume no obligation to revise or supplement them if the law is changed by legislative action, judicial decision or otherwise.

All capitalized terms herein shall have the same meanings as in the Lease unless otherwise provided herein. **Lessor**, its successors and assigns, and any counsel rendering an opinion on the

tax-exempt status of the interest components of the Rental Payments, are entitled to rely on this opinion together with all exhibits, attachments, schedules. Form 8038-G and certificates.

Very truly yours,

A handwritten signature in black ink, appearing to read "Hector M. Figueroa", with a long horizontal flourish extending to the right.

Hector M. Figueroa
Town Attorney