

RESOLUTION NO:

00-211

A RESOLUTION CONFIRMING THE VALIDITY AND EFFECTIVENESS OF MASTER MUNICIPAL LEASE AND OPTION AGREEMENT NUMBER 1377 AND APPROVING INDIVIDUAL PAYMENT SCHEDULE #2 THERETO; AUTHORIZING THE EXECUTION OF DOCUMENTS RELATED THERETO; ACKNOWLEDGING THE TAX EXEMPT STATUS OF THE LEASE AND ITS SCHEDULES; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Parker, Florida ("City") is a validly existing political subdivision of the State of Florida ("State"), existing as such under and by virtue of the constitution, statutes and laws of the State;

WHEREAS, the City Council of the City ("City Council") has the power under the laws of the State to lease or purchase personal property for use by the City;

WHEREAS, the City has previously entered into that certain Master Lease and Option Agreement Number 1377 ("Lease") with Municipal Services Group, Inc. ("MSG") and the City Council reaffirms the validity, effectiveness and binding nature of the Lease;

WHEREAS, the City desires to lease additional equipment pursuant to the Lease as is further identified on Individual Payment Schedule #2 and associated documents for the purpose of financing the acquisition of the equipment described in Exhibit "D" to the Individual Payment Schedule #2 ("Equipment");

WHEREAS, the City Council has determined that the use of such Equipment is essential to the City's proper, efficient and economic operation;

WHEREAS, the City Council has taken the necessary and appropriate steps under applicable law, including, without limitation, any requirements to arrange for the acquisition of the

*Repealed by Ord
111 96-22*

Equipment under the Lease and all schedules thereto including but not limited to Individual Payment Schedule #2;

WHEREAS, the Lease may be terminated, and the City's obligations thereunder are extinguished, if the City Council fails to appropriate money for the ensuing fiscal year for the payment of the amounts due in such fiscal year;

NOW THEREFORE, BE IT RESOLVED BY THE CITY OF PARKER:

SECTION 1. That all actions of the City in effectuating the Lease are hereby approved, ratified and authorized pursuant to and in accordance with the transactions contemplated by the Lease. The Lease remains a valid, effective and existing obligation of the City.

SECTION 2. The City Council hereby approves the acquisition/lease by the City of the Equipment, such acquisition to be financed by or leased through MSG pursuant to and in accordance with the terms of the Lease and Individual Payment Schedule #2, which will be a valid, legal and binding obligation of the City enforceable in accordance with their terms. The form and content of the Lease and Individual Payment Schedule #2 are in all respects authorized, approved and confirmed. The Mayor or the Mayor Pro Tem is authorized, empowered and directed to execute and deliver Individual Payment Schedule #2 for and on behalf of the City in substantially the form attached hereto, but with such changes, modifications, additions or deletions therein as shall be deemed necessary, desirable or appropriate, and to execute and deliver any other documents necessary to consummate or evidence the transaction

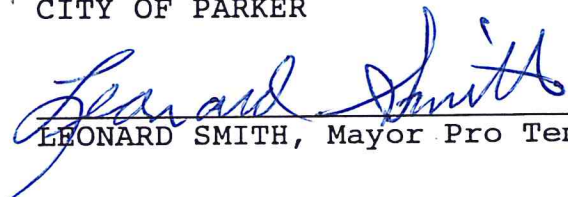
which is the subject of this Resolution.

SECTION 3. Pursuant to Section 265(b)(3)(B)(i) of the Internal Revenue Code of 1986 ("Code"), as amended or modified, the City hereby specifically designates the Lease and specifically Individual Payment Schedule #2 thereto as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code, and the City represents it will not designate more than Ten Million and No/100 Dollars (\$10,000,000.00) of obligations issued by the City in this calendar year.

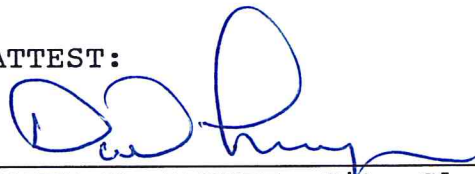
SECTION 4. This Resolution shall take effect immediately upon its passage.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Parker, Florida, on this 20th day of June, 2000.

CITY OF PARKER


LEONARD SMITH, Mayor Pro Tem

ATTEST:


DAVID W. LINGER, City Clerk

INDIVIDUAL PAYMENT SCHEDULE #2

TO

MASTER MUNICIPAL LEASE AND OPTION AGREEMENT NUMBER 1377

Entered into June 20, 2000, (the "Dated Date") by and between the Lessor and the Lessee, this Individual Payment Schedule #2 is made a part of Master Municipal Lease and Option Agreement Number 1377 and hereby incorporates all terms and conditions of said Agreement with respect to Lessee's and Lessor's rights in the personal property described in this Schedule.

This Individual Payment Schedule consists of:

Exhibit A	Resolution of Governing Body
Exhibit B	Opinion of Lessee's Counsel
Exhibit C	Certificate as to Arbitrage
Exhibit D	Description of Equipment
Exhibit E	Schedule of Payments
Exhibit F	Acceptance Certificate
Exhibit G	Insurance Coverage Requirements
Supplements:	8038-G IRS Filing
	Bank Eligibility Certificate
	Small Issuer Exemption Certificate

LESSOR: Municipal Services Group, Inc.

LESSEE: City of Parker

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

RESOLUTION NO: _____

A RESOLUTION CONFIRMING THE VALIDITY AND EFFECTIVENESS OF MASTER MUNICIPAL LEASE AND OPTION AGREEMENT NUMBER 1377 AND APPROVING INDIVIDUAL PAYMENT SCHEDULE #2 THERETO; AUTHORIZING THE EXECUTION OF DOCUMENTS RELATED THERETO; ACKNOWLEDGING THE TAX EXEMPT STATUS OF THE LEASE AND ITS SCHEDULES; AND PROVIDING AN EFFECTIVE DATE.

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WHEREAS, the City desires to lease additional equipment pursuant to the Lease as is further identified on Individual Payment Schedule #2 and associated documents for the purpose of financing the acquisition of the equipment described in Exhibit "D" to the Individual Payment Schedule #2 ("Equipment");

WHEREAS, the City Council has determined that the use of such Equipment is essential to the City's proper, efficient and economic operation;

WHEREAS, the City Council has taken the necessary and appropriate steps under applicable law, including, without limitation, any requirements to arrange for the acquisition of the

EXHIBIT "A"

Equipment under the Lease and all schedules thereto including but not limited to Individual Payment Schedule #2;

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NOW THEREFORE, BE IT RESOLVED BY THE CITY OF PARKER:

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which is the subject of this Resolution.

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SECTION 4. This Resolution shall take effect immediately upon its passage.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Parker, Florida, on this _____ day of _____, 2000.

' CITY OF PARKER

LEONARD SMITH, Mayor Pro Tem

ATTEST:

DAVID W. LINGER, City Clerk

HARMON & SLOAN, P.A.

ATTORNEYS AND COUNSELORS AT LAW
427 MCKENZIE AVENUE
POST OFFICE BOX 2327
PANAMA CITY, FLORIDA 32402-2327

TELEPHONE (850) 769-2501
FACSIMILE (850) 769-0824

DANIEL HARMON III
TIMOTHY J. SLOAN*

*ALSO MEMBER OF
DISTRICT OF COLUMBIA
AND MISSOURI BARS

June 20, 2000

Municipal Services Group, Inc.
5125 South Kipling Parkway
Suite 300
Littleton, CO 80127

Re: Individual Payment Schedule #2 to Master Municipal Lease
and Option Agreement Number 1377

Ladies and Gentlemen:

This letter shall serve as the opinion of counsel for the City of Parker, Florida ("City"), in connection with the authorization and delivery of Individual Payment Schedule #2 ("Schedule") to the Master Municipal Lease and Option Agreement Number 1377 ("Lease"). In connection with an in preparation for the rendering of this opinion, we have examined the following documents:

- A. Chapter 166 of the Florida Statutes;
- B. The Charter of the City;
- C. Resolution No. 00-211 ("Resolution");
- D. Certificates and Representations of City Clerk, Mayor and City Council Members ("Certificates");
- E. Lease; and
- F. Schedule.

In rendering certain of the opinions expressed herein, we have assumed:

- 1. The genuineness and authenticity of all signatures (other than on behalf of the City) on original documents;
- 2. The authenticity of all documents submitted to us as originals;
- 3. The conformity to originals of all documents submitted to us as copies;
- 4. The accuracy, completeness and authenticity of certificates of public officials;

EXHIBIT "B"

5. The legal capacity of all natural persons;
6. The truth and accuracy as to the factual matters of all statements and certificates provided to me and contained in all documents and other matters furnished to me by or on behalf of the City and the City's officers, agents and employees;
7. That none of the City and the City's officers, agents and employees has made, and that none of such documents or other matters has contained, an untrue statement of any material fact, or omitted to state a material fact necessary in order to make such statements, in light of the circumstances in which they were made, not misleading; and
8. The due authorization, execution, and delivery of all documents, by parties other than the City, where authorization, execution, and delivery are prerequisites to the effectiveness of such documents.

Based solely upon and subject to the foregoing, we express the following opinions:

- (a) The City is a municipal corporation duly organized and existing under the Constitution and laws of the State of Florida, and has good right and lawful authority to enact and perform its obligations under the Resolution, the Lease and the Schedule.
- (b) Based upon the factual information supplied to us in the Certificates, the City has duly enacted the Resolution, and as such, the Schedule constitutes the legally binding and valid obligation of the City as a part of the Lease, enforceable in accordance with the respective terms.
- (c) Based upon the factual information supplied to us, which we assume is true and correct, there is no action, suit or proceeding, at law or in equity, pending before or by any court, governmental agency, public board or body pending or, to the best of our knowledge, threatened or challenging the creation, organization or existence of the City or the issuance and delivery of the Schedule or the payments under the Schedule.
- (d) The Equipment which is the subject of the Schedule is personal property, and when used by the City, will not be or become a fixture under the laws of Florida.

Municipal Services Group, Inc.
June 20, 2000
Page 3

Our opinions herein with respect to the enforceability of the obligations and the availability of benefits are subject to the following limitations: (1) bankruptcy, insolvency, reorganization, moratorium, conservatorship, or other similar laws of general application relating to or affecting creditors' rights; (2) general principles of equity (regardless of whether such enforceability is considered a proceeding in equity or at law; (3) the exercise of judicial discretion; and (4) qualifications contained in this opinion letter. Further, no opinion is given with respect to the applicability of approvals, consents or orders as may be required under the Blue Sky or securities laws or legal investment laws of any state in connection with the registration of the Bonds under the Federal securities laws.

The opinions in this letter are made solely for the benefit of the addressee in connection with the issuance of the Lease. Any other use of or reliance upon any opinion or representation included herein is unauthorized, and any liability arising in any way from such unauthorized use or reliance is specifically disclaimed.

Very truly yours,

HARMON & SLOAN, P.A.

Timothy J. Sloan

TJS/

cc: City of Parker, Florida

EXHIBIT C

CERTIFICATE AS TO ARBITRAGE

I, the undersigned officer of the City of Parker (the "Lessee") being the person duly charged, with others, with responsibility of issuing the Lessee's obligation in the form of that certain Master Municipal Lease and Option Agreement Numbered 1377 (the "Agreement") by and between the Lessee and Municipal Services Group, Inc. as lessor (the "Lessor") HEREBY CERTIFY that:

1. The Agreement was executed and delivered by the Lessee under and pursuant to the then existing law to finance the acquisition of the equipment as described on existing or future schedules to be attached thereto, including, but not limited to the equipment described in Individual Payment Schedule #2 ("Equipment").

2. Pursuant to the Agreement, the Lessee is entitled to the use and possession of the Equipment in consideration for the obligations of the Lessee under and pursuant to the Agreement. The Equipment will be used in furtherance of the public purposes of the Lessee and only for the performance of one or more governmental or proprietary functions of the Lessee consistent with the permissible scope of the Lessee's authority.

3. The Lessee does not intend to sell the Equipment during the time it is financed/leased under the Agreement. The Lessee did not receive any monies, funds or other "proceeds" as a result of the execution or delivery of the Agreement.

4. The Lessee expects to make payments under the Agreement from its general funds on the basis of annual appropriations in amounts equal to the required payments under the Agreement. The remaining general funds of the Lessee are not reasonably expected to be used to make such payments, and no other monies are pledged to the Agreement or reasonably expected to be used to pay principal and interest on the Agreement.

5. The Lessee certifies that the Equipment is or will be owned and operated by the Lessee and will not be used in the trade or business of any person on a basis different from the general public.

6. The proceeds to be derived from Individual Payment Schedule #2 to the Agreement by the Lessor or its assignee on the date hereof (\$) together with anticipated investment earnings thereon (\$) are expected to pay the costs of the acquisition of the Equipment (\$) and the financing and legal costs in respect of the execution and delivery of the Agreement. Accrued interest not to exceed the interest for a period of six (6) months, in the amount of (\$), shall be retained by the Lessor or its assignee, if any. The proceeds derived from the sale of an interest in rights to receive Rental Payments under the Agreement, together with anticipated investment earnings thereon, will not exceed the amount necessary for the purpose of the Agreement. It is anticipated that the acquisition of the Equipment will proceed with due diligence to completion by and that all of the proceeds derived from the Agreement will be spent within the six (6) months following the execution and delivery of the Agreement and this certificate.

7. If the Lessee is required to comply with Arbitrage Rebate, within thirty (30) days after the anniversary of the date of the execution and delivery of the Agreement, the Lessee understands that it is to determine the amount of required arbitrage rebate, if any, due to the United States government under Section 103 and 148 (f) (2) of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations promulgated thereunder. The Lessee is to pay the required arbitrage rebate amounts over to the United States of America from time to time as the Lessee determines but not less frequently than once each five (5) years after the date of the execution and delivery of the Agreement, an amount equal to 90% of the required arbitrage rebate amount earned during such period (and not previously paid to the United States of America) and not later than sixty (60) days after making the final Rental Payment under the Agreement, 100% of the required arbitrage amount. The required arbitrage rebate payments are to be made to the United States government from legally available funds regardless of whether there are any remaining proceeds or other funds attributable to the Agreement that are available for that purpose. Notwithstanding the foregoing, the Lessee is obligated to at all times provide for the determination and payment of arbitrage rebate in conformity with all applicable federal statutes and regulations as the same may be amended from time to time.

8. The Lessee has not received notice that its Certificate may not be relied upon with respect to its own issues, nor has it been advised that any adverse action by the Commissioner of Internal Revenue is contemplated.

9. The Lessee is qualified to designate and has designated the obligation represented by the Agreement as a "qualified tax-exempt obligation" pursuant to Section 265 (3) (b) of the Internal Revenue Code of 1986, as amended.

To the best of my knowledge, information, and belief the expectations herein expressed are reasonable and there are no facts, estimates or circumstances other than those expressed herein that would materially affect the expectations.

LESSEE: City of Parker

By: _____

Title: _____

EXHIBIT D

DESCRIPTION OF EQUIPMENT

The Equipment which is the subject of the Individual Payment Schedule No. 2 to the Master Municipal Lease and Option Agreement is as follows:

Case 590 Super L Series 2 4WD Loader/Extendahoe with Powershift
Vac-Con Model V212LAE/1500 Combination Sewer Cleaner mounted on a 2000 International Model 2554 Tandem Axle Chassis
2000 Sterling Model L7500 Chassis with Petersen Lightning Loader and Trash Dump

Together with all additions, accessions and replacements thereto.

Lessee hereby certifies that the description of the Equipment set forth above constitutes an accurate description of the "Equipment", as defined in the attached Master Municipal Lease and Option Agreement applicable Individual Payment Schedule.

LESSEE: City of Parker

By: _____

Title: _____

Address of Equipment Upon Delivery and Acceptance:

EXHIBIT E
DUPLICATE OF PAYMENTS
DATED DATE: JUNE 20, 2000

Agreement No. 1377-2

City of Parker, FL

PMT #	PAYMENT DATE	PAYMENT	PRINCIPAL PORTION	INTEREST PORTION	PURCHASE PRICE
1	Upon Delivery	80,047.00	80,047.00	0.00	284,040.61
2	20 - Jun-01	80,047.00	64,688.84	15,358.17	218,110.43
3	20 - Jun-02	80,047.00	68,227.31	11,819.69	148,903.52
4	20 - Jun-03	80,047.00	71,959.34	8,087.66	76,257.02
5	20 - Jun-04	80,047.00	75,895.52	4,151.48	0.00
TOTAL		400,235.00	360,818.00	39,417.00	

LESSEE:

City of Parker, FL

BY: _____

TITLE: _____

EXHIBIT E

SCHEDULE OF PAYMENTS

Page 2 of 2

Base Interest Rate: 5.47%

U. S. Treasury Note Yield: 6.35%

U. S. Treasury Note Index Percent: 86.14%

Adjusted Base Interest Rate:

Dated Date: June 20, 2000

Provided all documents have been returned in a form acceptable to Lessor within thirty (30) days of the Dated Date (the "Period"), then the Base Interest Rate can remain in effect during the Period. In the event all documents have not been returned within the Period, in a form acceptable to Lessor, and/or if the U. S. Treasury Note Yield for a maturity comparable to the Lease Term increases significantly, the Lessor reserves the right to adjust and determine a new Base Interest Rate (the "Adjusted Base Interest Rate") pursuant to the provisions hereof. The Adjusted Base Interest Rate shall be determined by multiplying the U. S. Treasury Note Yield for a maturity comparable to the Lease Term (as of the business day immediately preceding the receipt of the documents by the Lessor) by the U. S. Treasury Note Index Percent. Such Adjusted Base Interest Rate shall be the applicable interest rate for the principal balance of the Equipment which is the subject of this Individual Payment Schedule, and the Lessor and the Lessee shall execute a revised Exhibit E to this Individual Payment Schedule to acknowledge such change.

LESSEE: City of Parker

By: _____

Title: _____

EXHIBIT F

ACCEPTANCE CERTIFICATE

The undersigned, as Lessee under the Master Municipal Lease and Option Agreement (the "Agreement") numbered 1377, with Municipal Services Group, Inc. ("Lessor"), acknowledges receipt in good condition of the Equipment described in the Agreement or in the applicable Individual Payment Schedule attached thereto this _____ day of _____ and certifies that Lessor has fully and satisfactorily performed all of its covenants and obligations required under the Agreement.

Lessee confirms that it will commence payments in accordance with Article 6 of the Agreement or the provisions of the applicable Individual Payment Schedule.

The undersigned officer of the Lessee hereby reaffirms in all respects the Certificate as to Arbitrage attached as Exhibit C to the Agreement, and represents that, to the best of his or her knowledge, information and belief, the expectations therein expressed were reasonable as of the Accrual Date on which they were made, and are reasonable as of this date, and that there were, and are as of this date, no facts, estimates or circumstances other than those expressed therein that would materially affect the expectations expressed therein.

LESSEE: City of Parker

By: _____

Title: _____