

RESOLUTION NO.30

(STONERIDGE COMMUNITY FACILITIES DISTRICT)

A RESOLUTION OF THE BOARD OF DIRECTORS OF STONERIDGE COMMUNITY FACILITIES DISTRICT APPROVING AND AUTHORIZING THE SALE AND ISSUANCE OF STONERIDGE COMMUNITY FACILITIES DISTRICT GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013 AND ALL MATTERS RELATED THERETO; PRESCRIBING CERTAIN TERMS AND CONDITIONS OF SUCH BONDS INCLUDING THE DELEGATION TO THE DISTRICT MANAGER OF THE AUTHORITY TO DESIGNATE THE FINAL PRINCIPAL AMOUNT, MATURITIES, INTEREST RATES AND YIELDS AND OTHER MATTERS WITH RESPECT TO SUCH BONDS AND AWARING A CONTRACT FOR THE PLACEMENT OF SUCH BONDS

WHEREAS, pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes (the "Enabling Act"), a general obligation bond election was held on November 13, 2001 (the "Election"), submitting to those persons who were qualified to vote pursuant to the Enabling Act the question of authorizing the board of directors (the "Board") of StoneRidge Community Facilities District, a community facilities district duly organized and validly existing pursuant to the laws of the State of Arizona (the "District"), to issue general obligation bonds of the Issuer in the aggregate principal amount of \$33,000,000 (the "Total Authorization") to provide moneys for any "public infrastructure purposes" (as such term is defined in the Enabling Act); and

WHEREAS, the Total Authorization was approved at the Election, and pursuant to a Resolution of the Board adopted on November 20, 2001, the Board authorized the issuance of \$14,800,000 in principal of the Total Authorization (the "Series 2001 Bonds") to provide funds for certain public infrastructure purposes, leaving \$18,200,000 principal amount of the Total Authorization (the "Remaining Authorization"); and

WHEREAS, the Board hereby finds and determines that it is expedient to refund all of the Series 2001 Bonds remaining outstanding (the "Bonds Being Refunded") and that the issuance of certain refunding bonds by the District (the "Bonds") and the application of the net proceeds thereof to pay at maturity or earlier redemption the Bonds Being Refunded are necessary and advisable and in the best interests of the District and shall result in a present value debt service savings, net of costs associated with the Bonds, of not less than three percent (3%); and

WHEREAS, the Board also hereby finds and determines that the total aggregate outstanding amount of the Bonds will not exceed sixty percent (60%) of the aggregate of the estimated market value of the real property and improvements in the District; and

WHEREAS, the total aggregate of taxes levied to pay principal of and interest on the Bonds in the aggregate shall not exceed the total aggregate principal and interest to become due on the Bonds Being Refunded from the date of issuance of the Bonds to the final date of maturity of the Bonds Being Refunded; and

WHEREAS, the Board will receive a proposal from RBC Capital Markets, LLC (the "Placement Agent") for the placement of the Bonds and have determined that the Bonds be sold through negotiation pursuant thereto as a non-public sale; and

WHEREAS, pursuant to the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations promulgated thereunder (the "Regulations"), issuers of obligations, the interest on which is intended to be excludable from the gross income of the owners thereof for federal income tax purposes ("Tax-Exempt Obligations"), are required to establish policies and procedures to ensure compliance with the applicable provisions of the Code and the Regulations; and

WHEREAS, the Board hereby further finds and determines that the procedures attached hereto as Exhibit A should be adopted in order to ensure that Tax-Exempt Obligations (including the Bonds) issued by the District comply with the provisions of the Code and the Regulations (the "Procedures"); and

WHEREAS, all formal actions concerning and relating to the passage of this Resolution were taken in an open meeting, in compliance with all legal requirements, and all things required to be done preliminary to the authorization, sale and issuance of the Bonds have been duly done and performed in the manner required by law, and the Board is now empowered to proceed with the sale and issuance of the Bonds; and

WHEREAS, under the Enabling Act and Section 9 500.05, Arizona Revised Statutes, on November 20, 2001, the District, the Town of Prescott Valley (the "Town"), First American Title Insurance Agency of Yavapai, Inc. (the "Title Agency"), and SunCor Development Company and StoneRidge Prescott Valley L.L.C. (together "SunCor") entered into a District Development, Financing Participation and Intergovernmental Agreement (the "Development Agreement") to specify certain matters relating to the acquisition of public infrastructure by the District, acceptance thereof by the Town, reimbursement or repayment of SunCor with respect thereto, advance of moneys for public infrastructure purposes and repayment of such advances, and obtaining credit enhancement for, and process disbursement and investment of proceeds of, general obligation bonds of the District; and

WHEREAS, under Title 11, Chapter 7, Article 3, Arizona Revised Statutes, the Development Agreement was also an "intergovernmental agreement" for joint or cooperative action for services and joint exercise of common powers for the purposes of the planning, design, inspection, ownership, control, maintenance, operation or repair of public infrastructure; and

WHEREAS, as a result of the District issuing the Bonds, the parties to the Development Agreement (or their successors-in-interest) desire to revise and restate the Development Agreement in order to remove certain requirements for contribution agreements by SunCor's successors and to expressly remove any reference to issuance of future District bonds for the StoneRidge subdivision under the Total Authorization (the "Restated Development Agreement");

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS AS FOLLOWS:

Section 1. (a) The Bonds are authorized by the provisions of the Enabling Act, specifically Section 48-719(D), Arizona Revised Statutes, and Title 35, Chapter 3, Article 4, Arizona Revised Statutes.

(b) The Bonds are hereby authorized to be sold and issued for the purposes set forth hereinabove. (All actions to refund the Bonds Being Refunded, whether taken before or after adoption of this Resolution, are ratified and confirmed and approved, respectively.)

(c) The Bonds Being Refunded shall be paid at maturity or redeemed on the earliest redemption date.

(d) Proceeds of the sale of the Bonds shall, along with the amounts described in subsection (e), be deposited with Wells Fargo Bank, N.A. as trustee (the "Trustee"), pursuant to Section 6.01(A) (1) (c) of the Series 2001 Indenture of Trust and Security Agreement, dated as of December 1, 2001 (the "Indenture"), from the District to pay the principal of and interest on the Bonds Being Refunded as the same become due. (Any proceeds of the sale of the Bonds not used for such purpose shall be held by the District and used to pay costs of issuance of the Bonds or deposited in the applicable hereinafter defined "Interest Fund" in the same fashion as taxes.)

(e) All amounts held by the Trustee pursuant to the Indenture along with amounts held by the Trustee in its separate capacity as depository trustee pursuant to the Series 2001 Depository Agreement, dated as of December 1, 2001, with the District shall be applied by the Trustee for the purpose provided in subsection (d). The "Issuer Request" described in Section 2.2(c) of the Special Reserve Fund Agreement, dated March 20, 2013, among the District, the Trustee and Wells Fargo Bank, N.A., as agent shall be made, and the amount received with respect thereto shall be deposited with the Trustee for the purpose provided in subsection (d). The amounts described in this subsection shall be credited first for the purpose described in subsection (d) before applying the proceeds of the sale of the Bonds for such purpose.

(f) The Trustee shall be instructed to hold the amounts described in subsection (d) in cash and not invested.

(g) The owners of the Bonds shall rely upon the sufficiency of the funds deposited and described in subsection (d) for the

payment of the Bonds Being Refunded. The issuance of the Bonds shall in no way infringe upon the rights of the owners of the Bonds Being Refunded to rely upon a tax levy for the payment of principal and interest on the Bonds Being Refunded if such redemption funds prove insufficient.

Section 2. The Bonds shall be designated "StoneRidge Community Facilities District General Obligation Refunding Bonds, Series 2013."

Section 3. The District Manager of the District is hereby authorized and directed to determine on behalf of the District: (1) the sales date of the Bonds and the dated date and total principal amount of the Bonds; (2) the final principal and maturity schedule of the Bonds; (3) subject to the penultimate sentence of this Section, the interest rate on each maturity of the Bonds (but not greater than six percent) and the dates for payment of such interest (the "interest payment dates"); (4) the provisions for redemption in advance of maturity of the Bonds and (5) the sales price and terms of the Bonds and their placement and sale (including for placement agent compensation, original issue discount and premium), provided, however, that such determinations must result in at least the savings indicated in the recitals hereto. Interest shall be calculated at two percent more than the interest rate on each maturity of the Bonds for which any interest is not timely paid or duly provided for as a result of any action or failure to act of the District, from the date of nonpayment to the date of payment of any such interest, and such additional amount shall be included in the next available levy described in Section 8 and paid, one-half on the next January 15 and the other half on the next July 15, to the registered owners on such dates. The District shall have no obligation to any prior registered owner to notify them about any such amounts being payable as described in the preceding sentence.

Section 4. (a) The Bonds shall separately be numbered, by maturity, from 1 consecutively upwards; shall be fully registered Bonds without coupons; shall be in the denomination of \$100,000 of principal due on a maturity date or any integral multiple of \$5,000 of principal amount thereof except that Bonds may be in denominations less than \$100,000 to effect redemptions ("authorized denominations") and shall bear interest from the most recent July 15 or January 15 to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from their date. The principal of and premium, if any, and interest on the Bonds shall be payable by wire transfer of immediately available, federal funds to the entity with which they are placed pursuant to Section 9 (the "Purchaser") to the account designated by such registered owner and thereafter to any entity to which they are transferred as hereinafter described (for purposes of this section together with the Purchaser, "registered owners") at the close of business on the first day of the calendar month next preceding that interest payment date (the "regular record date"). Any interest which is not timely paid or duly provided for shall cease to be payable to the registered owner thereof (or of one or more predecessor Bonds) as of the regular record date and shall be payable to the registered owner thereof (or of one or more predecessor Bonds) at the close of business on a special record date for the payment of that overdue interest. Such special record date shall be fixed whenever moneys

become available for payment of the overdue interest, and notice of the special record date shall be given to the registered owners of the Bonds not less than ten (10) days prior thereto.

(b) (1) The Bonds may be transferred to a registered owner without the necessity of obtaining the consent of District; provided, that such transferee represents to the District that (i) it has sufficient knowledge and experience in financial and business matters to be able to evaluate the risks and merits of the investment in the Bonds, (ii) it understands that neither this Resolution nor the Bonds will be registered pursuant to the Securities Act of 1933, (iii) it is either an "accredited investor" within the meaning of Regulation D promulgated pursuant to the Securities Act of 1933, or a qualified institutional buyer within the meaning of Rule 144A promulgated under the Securities Act of 1933, and (iv) its present intention is to acquire such interest (A) for investment for its own account or (B) for resale in a transaction exempt from registration under the Securities Act of 1933; *provided, however*, that there shall only be five registered owners at any time and the District shall only report to and take direction from the entity which is the registered owner of a majority in the principal amount of the Bonds outstanding or designated for such purpose by the registered owners of a majority in principal amount of the Bonds outstanding (the "principal registered owner"); *provided further*, upon such transfer, if the Purchaser is no longer the registered owner of a majority in principal amount of the Bonds outstanding, the District reserves the right to employ the services of third party paying agent and bond registrar. Upon transfer of any Bonds, the District shall execute and deliver new Bonds in the name of the transferee, in authorized denominations, in an aggregate principal amount equal to the unmatured and unredeemed principal amount of, and bearing interest at the same rate and maturing on the same date as, the Bonds submitted for transfer.

(2) Transfer of Bonds shall not be required (i) during a period beginning with the opening of business on the fifteenth (15th) business day next preceding either any interest payment date or any date of selection of Bonds to be redeemed and ending with the close of business on the interest payment date or day on which the applicable notice of redemption is given or (ii) of any Bonds which have been selected for redemption.

(c) Not more than forty-five (45) nor less than thirty (30) days before any redemption date, a notice of such redemption shall be mailed by first class mail, postage prepaid, to the principal registered owner.

Section 5. In case any Bond becomes mutilated or destroyed or lost, the District shall cause to be executed and delivered a new Bond of like maturity and tenor in exchange and substitution for and upon the cancellation of such mutilated Bond or in lieu of and in substitution for such Bond destroyed or lost, upon the registered owner paying the reasonable expenses and charges of the District in connection therewith and, in the

case of a Bond destroyed or lost, filing with the District by the registered owner evidence satisfactory to the District that such Bond was destroyed or lost, and furnishing the District with a sufficient indemnity bond pursuant to Section 47-8405, Arizona Revised Statutes.

Section 6. The Bonds shall be executed on behalf of the District by the Chairperson or Vice Chairperson of the Board and attested by the District Clerk of the District and countersigned by the District Treasurer of the District with their manual or facsimile signatures, and such officials are hereby authorized and directed to execute, attest and countersign the Bonds as aforesaid. Unless a bond registrar and paying agent is employed by the District as hereinabove provided to do so, the District Clerk of the District shall authenticate and deliver Bonds upon original issuance and subsequent transfer as provided herein.

Section 7. The Bonds shall be in substantially the form attached hereto as Exhibit B, allowing those executing the Bonds to make the insertions and deletions necessary to conform the Bonds hereto.

Section 8. (a) In each year while any of the Bonds shall be outstanding, there shall be and hereby is levied upon all taxable property within the District a continuing, direct, annual, *ad valorem* tax over and above all other taxes authorized or limited by law, which tax, together with other funds then on hand and available for such purposes, shall be sufficient to pay the principal of and interest on the Bonds as the same become due, provided, however, that the total aggregate of taxes levied to pay principal and interest on the Bonds in the aggregate shall not exceed the total aggregate principal and interest to become due on the Bonds Being Refunded from the date of issuance of the Bonds to the final date of maturity on the Bonds Being Refunded. The tax shall be extended and collected for the District, and the officials of the District and Maricopa County, Arizona, charged with the annual extension and collection of taxes, without further instructions from the Board, shall extend and collect the tax upon issuance of the Bonds. All moneys collected through such tax shall be paid into the treasury of the District, to the credit of an applicable, separate "Bond Fund" of the District for each series of the Bonds, from which funds the Bonds shall be payable, which tax moneys shall be held in subfunds in each such fund to be known as the "Interest Fund" and the "Redemption Fund", which funds shall be kept separate and apart from and not commingled with any other funds or moneys and which shall be used solely for, respectively, payment of interest on and principal of the applicable series of the Bonds.

(b) Neither the full faith and credit nor the general taxing power of the Town of Prescott Valley, Arizona (the "Town") is pledged to the payment of the Bonds. Nothing contained in this Resolution or any other instrument related to the Bonds shall be construed as obligating the Town, or as incurring a charge upon the general credit or any other credit or revenues of the Town nor shall the breach of any agreement contained in this Resolution or any other instrument or documents executed in connection therewith impose any charge upon the general credit or any other credit or revenues of the Town.

(c) A record of the Bonds sold and their numbers and dates shall be entered into the minutes of the Board and, subject to the limitation of applicable laws of the State of Arizona (the "State") as they relate to Bonds, an *ad valorem* property tax shall be collected, at the same time and in the same manner as other taxes are levied and collected on all taxable property in the boundaries of the District sufficient, together with moneys from the sources described herein, to pay debt service when due. Annual statements and estimates of the amount to be raised to pay such debt service shall be made. Such annual statements and estimates shall be filed with the Clerk of the Town, and a notice of the filing of the estimate shall be published. On or before the date set by law for certifying the annual budget of the Town, the amounts to be raised by *ad valorem* property taxes of the District shall be fixed, levied and assessed, and certified copies of the order shall be delivered to the Board of Supervisors of Maricopa County, Arizona, and to the Department of Revenue of the State. All statutes relating to the levy and collection of State and county taxes, including the collection of delinquent taxes and sale of property for nonpayment of taxes, apply to the taxes provided for by this Section.

(d) Bonds which are the subject of the Remaining Authorization shall not be issued hereafter.

Section 9. The District Manager of the District is hereby authorized to accept a proposal of the Placement Agent for the placement of the Bonds in substantially the form attached hereto as Exhibit C (the "Placement Agent Agreement") which is hereby approved, and the Bonds are hereby ordered sold to the entity identified in accordance with the terms of the Placement Agent Agreement. The District Manager of the District is hereby authorized to execute and deliver the Placement Agent Agreement, for and on behalf of the District, in substantially such form and in a final form satisfactory to the District Manager of the District, and such execution and delivery by the District Manager of the District shall indicate the approval thereof on behalf of the District. In accordance with the provisions of this Resolution and upon payment therefor, the District Manager, the District Clerk and the District Treasurer of the District, or any of them, are hereby authorized and directed to deliver the Bonds to the Purchaser upon receipt of payment therefor.

Section 10. (a) The District shall not make or direct the making of any investment or other use of the proceeds of any Bonds which would cause such Bonds to be "arbitrage bonds" as that term is defined in section 148 (or any successor provision thereto) of the Internal Revenue Code of 1986, as amended, or "private activity bonds" as that term is defined in section 141 (or any successor provision thereto) of such Code, and the District shall comply with the requirements of such Code sections and related regulations throughout the term of the Bonds. (Particularly, the District or the Town shall be the owner of the facilities refinanced with the proceeds of the sale of the Bonds (the "Facilities") for federal income tax purposes. Except as otherwise advised in a Bond Counsel's Opinion (as such term is defined in the next Section), (1) no management or service contract with any entity other than a governmental entity for the operation of any portion of the Facilities shall be entered into unless the management

or service contract complies with the requirements of Revenue Procedure 97-13 or such other authority as may control at the time, and (2) no lease or other arrangement with any entity other than a governmental entity that gives such entity special legal entitlements with respect to any portion of the Facilities shall be entered into.) Also, the payment of principal and interest with respect to the Bonds shall not be guaranteed (in whole or in part) by the United States or any agency or instrumentality of the United States. The proceeds of the Bonds, or amounts treated as proceeds of the Bonds, shall not be invested (directly or indirectly) in federally insured deposits or accounts, except to the extent such proceeds (1) may be so invested for an initial temporary period until needed for the purpose for which the Bonds are being issued, (2) may be so used in making investments of a bona fide debt service fund or (3) may be invested in obligations issued by the United States Treasury. The Board hereby further covenant and agree to comply with the procedures and covenants contained in any arbitrage rebate provision or separate agreement executed in connection with the issuance of the Bonds (originally as provided in Section 11 hereof) for so long as compliance is necessary in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds. In consideration of the purchase and acceptance of the Bonds by such holders from time to time and of retaining such exclusion and as authorized by Title 35, Chapter 3, Article 7, Arizona Revised Statutes, as amended, the Board covenants, and the appropriate officials of the District are hereby directed, to take all action required or to refrain from taking any action prohibited by such Code which would adversely affect in any respect such exclusion.

(b) (1) The District shall take all necessary and desirable steps, as determined by the Board, to comply with the requirements hereunder in order to ensure that interest on the Bonds is excluded from gross income for federal income tax purposes under such Code; provided, however, compliance with any such requirement shall not be required in the event the District receives a Bond Counsel's Opinion (as such term is hereinafter defined) that either (i) compliance with such requirement is not required to maintain the exclusion from gross income of interest on the Bonds, or (ii) compliance with some other requirement will meet the requirements of such Code. In the event the District receives such a Bond Counsel's Opinion, the parties agree to amend this Resolution to conform to the requirements set forth in such opinion.

(2) If for any reason any requirement hereunder is not complied with, the District shall take all necessary and desirable steps, as determined by the Board, to correct such noncompliance within a reasonable period of time after such noncompliance is discovered or should have been discovered with the exercise of reasonable diligence and the District shall pay any required interest or penalty under Regulations section 1.148-3(h) with respect to such Code.

(c) The Procedures are hereby adopted to establish policies and procedures in connection with Tax-Exempt Obligations issued

by the District to ensure that all applicable post-issuance requirements of the Code and the Regulations needed to preserve the status of such Tax-Exempt Obligations are met. The right to use discretion as necessary and appropriate to make exceptions or request additional provisions with respect to the Procedures as may be determined is hereby reserved. The right to change the Procedures from time to time, without notice, is also reserved.

(d) The Bonds are designated as "qualified tax-exempt obligations" within the meaning of and pursuant to the provisions of Section 265(b) of the Code. It is represented and warranted that the reasonably anticipated amount of "qualified tax-exempt obligations" (other than private activity bonds within the meaning of the Code) which will be issued by the District during the 2013 calendar year will not exceed \$10,000,000.

Section 11. (a) Terms not otherwise defined in Subsection (b) hereof shall have the meanings given to them in the arbitrage certificate of the District delivered in connection with the issuance of the Bonds.

(b) In addition to the terms defined elsewhere herein, the following terms shall have the following meanings:

Bond Counsel's Opinion shall mean an opinion signed by an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal bonds selected by the District.

Bond Year shall mean each one-year period beginning on the day after the expiration of the preceding Bond Year. The first Bond Year shall begin on the date of issue of the Bonds and shall end on the date selected by the District, provided that the first Bond Year shall not exceed one calendar year. The last Bond Year shall end on the date of retirement of the last Bond.

Bond Yield is as indicated in such arbitrage certificate. Bond Yield shall be recomputed if required by Regulations section 1.148-4(b)(4) or 4(h)(3). Bond Yield shall mean the discount rate that produces a present value equal to the Issue Price of all unconditionally payable payments of principal, interest and fees for qualified guarantees within the meaning of Regulations section 1.148-4(f) and amounts reasonably expected to be paid as fees for qualified guarantees in connection with the Bonds as determined under Regulations section 1.148-4(b). The present value of all such payments shall be computed as of the date of issue of the Bonds and using semiannual compounding on the basis of a 360-day year.

Gross Proceeds shall mean:

(i) any amounts actually or constructively received by the District from the sale of the Bonds but excluding amounts used to pay accrued interest on the Bonds within one year of the date of issuance of the Bonds;

(ii) transferred proceeds of the Bonds under Regulations section 1.148-9;

(iii) any amounts actually or constructively received from investing amounts described in (i), (ii) or this (iii); and

(iv) replacement proceeds of the Bonds within the meaning of Regulations section 1.148-1(c). Replacement proceeds include amounts reasonably expected to be used directly or indirectly to pay debt service on the Bonds, pledged amounts where there is reasonable assurance that such amounts will be available to pay principal or interest on the Bonds in the event the District encounters financial difficulties and other replacement proceeds within the meaning of Regulations section 1.148-1(c) (4). Whether an amount is Gross Proceeds is determined without regard to whether the amount is held in any fund or account.

Investment Property shall mean any security, obligation (other than a tax-exempt bond within the meaning of Code section 148(b) (3) (A)), annuity contract or investment-type property within the meaning of Regulations section 1.148-1(b).

Issue Price is as indicated in such arbitrage certificate, which is the initial offering price to the public (not including bond houses and brokers, or similar persons or organizations acting in the capacity of underwriters of wholesalers) at which price a substantial amount of the Bonds was sold, less any bond insurance premium and reserve surety bond premium. Issue price shall be determined as provided in Regulations section 1.148-1(b).

Nonpurpose Investment shall mean any Investment Property acquired with Gross Proceeds, and which is not acquired to carry out the governmental purposes of the Bonds.

Payment shall mean any payment within the meaning of Regulations section 1.148-3(d) (1) with respect to a Nonpurpose Investment.

Rebate Requirement shall mean at any time the excess of the future value of all Receipts over the future value of all Payments. For purposes of calculating the Rebate Requirement the Bond Yield shall be used to determine the future value of Receipts and Payments in accordance with Regulations section 1.148-3(c). The Rebate Requirement is zero for any Nonpurpose Investment meeting the requirements of a rebate exception under section 148(f) (4) of the Code or Regulations section 1.148-7.

Receipt shall mean any receipt within the meaning of Regulations section 1.148-3(d) (2) with respect to a Nonpurpose Investment.

(c) Within 60 days after the end of each Bond Year, unless some exception to the requirement to do so has been satisfied, the District shall cause the Rebate Requirement to be calculated and, unless shall pay to the United States of America:

(1) not later than 60 days after the end of the fifth Bond Year and every fifth Bond Year thereafter, an amount which, when added to the future value of all previous rebate payments with respect to the Bonds (determined as of such computation date), is equal to at least 90% of the sum of the Rebate Requirement (determined as of the last day of such Bond Year) plus the future value of all previous rebate payments with respect to the Bonds (determined as of the last day of such Bond Year); and

(2) not later than 60 days after the retirement of the last Bond, an amount equal to 100% of the Rebate Requirement (determined as of the date of retirement of the last Bond).

Each payment required to be made under this Section shall be filed with the Internal Revenue Service Center, Ogden, Utah 84201, on or before the date such payment is due, and shall be accompanied by IRS Form 8038-T.

(d) No Nonpurpose Investment shall be acquired for an amount in excess of its fair market value. No Nonpurpose Investment shall be sold or otherwise disposed of for an amount less than its fair market value.

(e) For purposes of Subsection (d), whether a Nonpurpose Investment has been purchased or sold or disposed of for its fair market value shall be determined as follows:

(1) The fair market value of a Nonpurpose Investment generally shall be the price at which a willing buyer would purchase the Nonpurpose Investment from a willing seller in a bona fide arm's length transaction. Fair market value shall be determined on the date on which a contract to purchase or sell the Nonpurpose Investment becomes binding.

(2) Except as provided in Subsection (f) or (g), a Nonpurpose Investment that is not of a type traded on an established securities market, within the meaning of Code section 1273, is rebuttably presumed to be acquired or disposed of for a price that is not equal to its fair market value.

(3) If a United States Treasury obligation is acquired directly from or sold or disposed of directly to the United States Treasury, such acquisition or sale or disposition shall be treated as establishing the fair market value of the obligation.

(f) The purchase price of a certificate of deposit that has a fixed interest rate, a fixed payment schedule and a substantial penalty for early withdrawal is considered to be its fair market value if the yield on the certificate of deposit is not less than:

(1) the yield on reasonably comparable direct obligations of the United States; and

(2) the highest yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public.

(g) A guaranteed investment contract shall be considered acquired and disposed of for an amount equal to its fair market value if:

(1) A bona fide solicitation in writing for a specified guaranteed investment contract, including all material terms, is timely forwarded to all potential providers. The solicitation must include a statement that the submission of a bid is a representation that the potential provider did not consult with any other potential provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the District or any other person (whether or not in connection with the Bonds), and that the bid is not being submitted solely as a courtesy to the District or any other person for purposes of satisfying the requirements in the Regulations that the District receive bids from at least one reasonably competitive provider and at least three providers that do not have a material financial interest in the Bonds.

(2) All potential providers have an equal opportunity to bid, with no potential provider having the opportunity to review other bids before providing a bid.

(3) At least three reasonably competitive providers (i.e. having an established industry reputation as a competitive provider of the type of investments being purchased) are solicited for bids. At least three bids must be received from providers that have no material financial interest in the Bonds (e.g., a lead underwriter within 15 days of the issue date of the Bonds or a financial advisor with respect to the investment) and at least one of such three bids must be from a reasonably competitive provider. If the District uses an agent to conduct the bidding, the agent may not bid.

(4) The highest-yielding guaranteed investment contract for which a qualifying bid is made (determined net of broker's fees) is purchased.

(5) The determination of the terms of the guaranteed investment contract takes into account as a significant factor the reasonably expected deposit and drawdown schedule for the amounts to be invested.

(6) The terms for the guaranteed investment contract are commercially reasonable (i.e. have a legitimate business purpose other than to increase the purchase price or reduce the yield of the guaranteed investment contract).

(7) The provider of the investment contract certifies the administrative costs (as defined in Regulations section 1.148-5(e)) that it pays (or expects to pay) to third parties in connection with the guaranteed investment contract.

(8) The District retains until three years after the last outstanding Bond is retired, (i) a copy of the guaranteed investment contract, (ii) a receipt or other record of the amount actually paid for the guaranteed investment contract, including any administrative costs paid by the District and a copy of the provider's certification described in (7) above, (iii) the name of the person and entity submitting each bid, the time and date of the bid, and the bid results and (iv) the bid solicitation form and, if the terms of the guaranteed investment contract deviates from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose of the deviation.

(h) The employment of such experts and consultants to make, as necessary, any calculations in respect of rebates to be made to the United States of America in accordance with Section 148(f) of the Code, is hereby authorized.

Section 12. (a) In consideration of the purchase and acceptance of any and all of the Bonds issued hereunder by those who shall be the registered owners of the same from time to time, this Resolution shall be deemed to be and shall constitute a contract among the District and the registered owners of the Bonds.

(b) (i) The Purchaser shall be provided with, if produced, the audited financial statements of the District for the prior fiscal year by February 1 of each year commencing February 1, 2014, at the address supplied to the District by the Purchaser.

(ii) Within ten business days after an event that has a material impact on the financial condition of the District that affects the ability of the District to pay the Bonds, the Purchaser shall be notified by the District of such event in writing at the address supplied to the District by the Purchaser.

Section 13. The Restated Development Agreement is hereby approved in substantially the form attached hereto as Exhibit D, with such changes, additions, deletions, insertions and omissions, if any, as the District Chairman, with the advice of the District Manager and District Counsel shall authorize, the execution and delivery of the Restated Development Agreement to be conclusive evidence of the propriety of such document and the authority of the persons or persons executing the same. The District Chairman, with the advice of the District Manager and the District Counsel is hereby authorized and directed to execute and deliver, and the District Clerk to attest, the Restated Development Agreement on behalf of the District.

Section 14. (a) If any section, paragraph, subdivision, sentence, clause or phrase of this Resolution is for any reason held to be illegal or unenforceable, such decision will not affect the validity of the remaining portions of this Resolution. The Board of Directors of the District hereby declare that it would have adopted this Resolution and each and every other section, paragraph, subdivision, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant hereto irrespective of the fact that any one or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this Resolution may be held illegal, invalid or unenforceable.

(b) All actions of the officers and agents of the District including the Board of Directors of the District which conform to the purposes and intent of this Resolution and which further the issuance and sale of the Bonds as contemplated by this Resolution, whether heretofore or hereafter taken, are hereby ratified, confirmed and approved. The proper officers and agents of the District are hereby authorized and directed to do all such acts and things and to execute and deliver all such documents on behalf of the District as may be necessary to carry out the terms and intent of this Resolution.

(c) All acts and conditions necessary to be performed by the District or to have been met precedent to and in the issuing of the Bonds in order to make them legal, valid and binding general obligations of the District will at the time of delivery of the Bonds have been performed and have been met, in regular and due form as required by law, and no statutory, charter or constitutional limitation of indebtedness or taxation will have been exceeded in the issuance of the Bonds.

PASSED by the Board of Directors of StoneRidge Community Facilities District this 23rd day of May, 2013.

.....
Chairman, Board of Directors, StoneRidge
Community Facilities District

ATTEST:

.....
District Clerk, StoneRidge
Community Facilities District

APPROVED AS TO FORM:

.....
District Counsel, StoneRidge
Community Facilities District

EXHIBITS:

- Exhibit A - Procedures
- Exhibit B - Form of Bond
- Exhibit C - Form of Placement Agent Agreement
- Exhibit D - Restated District Development, Financing Participation and Intergovernmental Agreement

CERTIFICATION

I hereby certify that the foregoing Resolution No. _____ was duly passed and adopted by the Board of Directors of StoneRidge Community Facilities District, at a meeting held on the 23rd day of May, 2013, and the vote was ayes and nays.

.....
District Clerk, StoneRidge Community
Facilities District

EXHIBIT A

PROCEDURES

WRITTEN POLICIES AND PROCEDURES
FOR TAX-ADVANTAGED OBLIGATIONS

StoneRidge Community Facilities District (the "Issuer") has issued and may in the future issue tax-exempt obligations (including, without limitation, bonds, notes, loans, leases and certificates) (together, "tax-advantaged obligations") that are subject to certain requirements under the Internal Revenue Code of 1986, as amended (the "Code").

The Issuer has established the policies and procedures contained herein (the "Procedures") as of May 1, 2013, in order to ensure that the Issuer complies with the requirements of the Code that are applicable to its tax-advantaged obligations. The Procedures, coupled with requirements contained in the arbitrage and tax certificate or other operative documents (the "Tax Certificate") executed at the time of issuance of the tax-advantaged obligations, are intended to constitute written procedures for ongoing compliance with the Federal tax requirements applicable to the tax-advantaged obligations and for timely identification and remediation of violations of such requirements.

A. GENERAL MATTERS.

1. Responsible Officer. The Administrative Officer of the Issuer will have overall responsibility for ensuring that the ongoing requirements described in the Procedures are met with respect to tax-advantaged obligations (the "Responsible Officer").
2. Establishment of Procedures. The Procedures will be included with other written procedures of the Issuer.
3. Identify Additional Responsible Employees. The Responsible Officer shall identify any additional persons who will be responsible for each section of the Procedures, notify the current holder of that office of the responsibilities, and provide that person a copy of the Procedures. (For each section of the Procedures, this may be the Responsible Officer or another person who is assigned the particular responsibility.)
 - a. Upon employee or officer transitions, new personnel should be advised of responsibilities under the Procedures and ensure they understand the importance of the Procedures.
 - b. If employee or officer positions are restructured or eliminated, responsibilities should be reassigned as

necessary to ensure that all Procedures have been appropriately assigned.

4. Training Required. The Responsible Officer and other responsible persons shall receive appropriate training that includes the review of and familiarity with the contents of the Procedures, review of the requirements contained in the Code applicable to each tax-advantaged obligation, identification of all tax-advantaged obligations that must be monitored, identification of all facilities (or portions thereof) financed with proceeds of tax-advantaged obligations, familiarity with the requirements contained in the Tax Certificate or other operative documents contained in the transcript, and familiarity with the procedures that must be taken in order to correct noncompliance with the requirements of the Code in a timely manner.
 5. Periodic Review. The Responsible Officer or other responsible person shall periodically review compliance with the Procedures and with the terms of the Tax Certificate to determine whether any violations have occurred so that such violations can be timely remedied through the "remedial action" regulations or the Voluntary Closing Agreement Program available through the Internal Revenue Service ("IRS") (or successor guidance). Such periodic review shall occur at least annually.
 6. Change in Terms. If any changes to the terms of the tax-advantaged obligations are contemplated, bond counsel should be consulted. Such modifications could jeopardize the status of tax-advantaged obligations.
- B. ISSUE PRICE FOR TAX-ADVANTAGED OBLIGATIONS. In order to document the issue price of tax-advantaged obligations, the Responsible Officer shall consult with bond counsel and obtain a written certification from the purchaser of the tax-advantaged obligations as to the offering price of the tax-advantaged obligations that is in form and substance acceptable to the Issuer and bond counsel.
- C. IRS INFORMATION RETURN FILING. The Responsible Officer will confirm that bond counsel has filed the applicable information reports (such as Form 8038-G) for such issue with the IRS on a timely basis, and maintain copies of such form including evidence of timely filing as part of the transcript of the issue. The Responsible Officer shall file the IRS Form 8038-T relating to the payment of rebate or yield reduction payments in a timely manner as discussed in Section G.12. below. The Responsible Officer shall also monitor the extent to which the Issuer is eligible to receive a refund of prior rebate payments and provide for the timely filing for such refunds using an IRS Form 8038-R.

- D. USE OF PROCEEDS. The Responsible Officer or other responsible person shall:
1. Consistent Accounting Procedures. Maintain or confirm maintenance of clear and consistent accounting procedures for tracking the investment and expenditures of proceeds, including investment earnings on proceeds.
 2. Reimbursement Allocations at Closing. At or shortly after closing of an issue, ensure that any allocations for reimbursement expenditures comply with the Tax Certificate.
 3. Timely Expenditure of Proceeds. Monitor that sale proceeds and investment earnings on sale proceeds of tax-advantaged obligations are spent in a timely fashion consistent with the requirements of the Tax Certificate.
 4. Requisitions. Utilize or confirm the utilization of requisitions to draw down proceeds, and ensure that each requisition contains (or has attached to it) detailed information in order to establish when and how proceeds were spent; review requisitions carefully before submission to ensure proper use of proceeds to minimize the need for reallocations.
 5. Final Allocation. Ensure that a final allocation of proceeds (including investment earnings) to qualifying expenditures is made if proceeds are to be allocated to project expenditures on a basis other than "direct tracing" (direct tracing means treating the proceeds as spent as shown in the accounting records for draws and project expenditures). An allocation other than on the basis of "direct tracing" is often made to reduce the private business use of bond proceeds that would otherwise result from "direct tracing" of proceeds to project expenditures. *This allocation must be made within 18 months after the later of the date the expenditure was made or the date the project was placed in service, but not later than five years and 60 days after the date the tax-advantaged obligations are issued (or 60 days after the issue is retired, if earlier).* Bond counsel can assist with the final allocation of proceeds to project costs. Maintain a copy of the final allocation in the records for the tax-advantaged obligation.
 6. Maintenance and Retention of Records Relating to Proceeds. Maintain or confirm the maintenance of careful records of all project and other costs (e.g., costs of issuance, credit enhancement and capitalized interest) and uses (e.g., deposits to a reserve fund) for which proceeds were spent or used. These records should be maintained separately for each issue of tax-advantaged obligations for the period indicated under Section H. below.

- E. MONITORING PRIVATE BUSINESS USE. The Responsible Officer or other responsible person shall:
1. Identify Financed Facilities. Identify or "map" which outstanding issues financed which facilities and in what amounts.
 2. Review of Contracts with Private Persons. Review all of the following contracts or arrangements with non-governmental persons or organizations or the federal government (collectively referred to as "private persons") with respect to the financed facilities which could result in private business use of the facilities:
 - a. Sales of financed facilities;
 - b. Leases of financed facilities;
 - c. Management or service contracts relating to financed facilities;
 - d. Research contracts under which a private person sponsors research in financed facilities; and
 - e. Any other contracts involving "special legal entitlements" (such as naming rights or exclusive provider arrangements) granted to a private person with respect to financed facilities.
 3. Bond Counsel Review of New Contracts or Amendments. Before amending an existing agreement with a private person or entering into any new lease, management, service, or research agreement with a private person, consult bond counsel to review such amendment or agreement to determine whether it results in private business use.
 4. Establish Procedures to Ensure Proper Use and Ownership. Establish procedures to ensure that financed facilities are not used for private use without written approval of the Responsible Officer or other responsible person.
 5. Analyze Use. Analyze any private business use of financed facilities and, for each issue of tax-advantaged obligations, determine whether the 10 percent limit on private business use (5 percent in the case of "unrelated or disproportionate" private business use) is exceeded, and contact bond counsel or other tax advisors if either of these limits appears to be exceeded.
 6. Remediation if Limits Exceeded. If it appears that private business use limits are exceeded, immediately consult with bond counsel to determine if a remedial action is required with

respect to nonqualified tax-advantaged obligations of the issue or if the IRS should be contacted under its Voluntary Closing Agreement Program. If tax-advantaged obligations are required to be redeemed or defeased in order to comply with remedial action rules, such redemption or defeasance must occur within 90 days of the date a deliberate action is taken that results in a violation of the private business use limits.

7. Maintenance and Retention of Records Relating to Private Use. Retain copies of all of the above contracts or arrangements (or, if no written contract exists, detailed records of the contracts or arrangements) with private persons for the period indicated under Section H. below.
- F. LOAN OF BOND PROCEEDS. Consult bond counsel if a loan of proceeds of tax-advantaged obligations is contemplated. If proceeds of tax-advantaged obligations are permitted under the Code to be loaned to other entities and are in fact so loaned, require that the entities receiving a loan of proceeds institute policies and procedures similar to the Procedures to ensure that the proceeds of the loan and the facilities financed with proceeds of the loan comply with the limitations provided in the Code. Require the recipients of such loans to annually report to the Issuer ongoing compliance with the Procedures and the requirements of the Code.
- G. ARBITRAGE AND REBATE COMPLIANCE. The Responsible Officer or other responsible person shall:
1. Review Tax Certificate. Review each Tax Certificate to understand the specific requirements that are applicable to each tax-advantaged obligation issue.
 2. Arbitrage Yield. Record the arbitrage yield of the issue, as shown on IRS Form 8038-G or other applicable form. If the tax-advantaged obligations are variable rate, yield must be determined on an ongoing basis over the life of the tax-advantaged obligations as described in the Tax Certificate.
 3. Temporary Periods. Review the Tax Certificate to determine the "temporary periods" for each issue, which are the periods during which proceeds of tax-advantaged obligations may be invested without yield restriction.
 4. Post-Temporary Period Investments. Ensure that any investment of proceeds after applicable temporary periods is at a yield that does not exceed the applicable yield, unless yield reduction payments can be made pursuant to the Tax Certificate.
 5. Monitor Temporary Period Compliance. Monitor that proceeds (including investment earnings) are expended promptly after the tax-advantaged obligations are issued in accordance with the expectations for satisfaction of three-year or five-year

temporary periods for investment of proceeds and to avoid "hedge bond" status.

6. Monitor Yield Restriction Limitations. Identify situations in which compliance with applicable yield restrictions depends upon later investments (e.g., the purchase of 0 percent State and Local Government Securities from the U.S. Treasury for an advance refunding escrow). Monitor and verify that these purchases are made as contemplated.
7. Establish Fair Market Value of Investments. Ensure that investments acquired with proceeds satisfy IRS regulatory safe harbors for establishing fair market value (e.g., through the use of bidding procedures), and maintaining records to demonstrate satisfaction of such safe harbors. Consult the Tax Certificate for a description of applicable rules.
8. Credit Enhancement, Hedging and Sinking Funds. Consult with bond counsel before engaging in credit enhancement or hedging transactions relating to an issue, and before creating separate funds that are reasonably expected to be used to pay debt service. Maintain copies of all contracts and certificates relating to credit enhancement and hedging transactions that are entered into relating to an issue.
9. Grants/Donations to Governmental Entities. Before beginning a capital campaign or grant application that may result in gifts that are restricted to financed projects (or, in the absence of such a campaign, upon the receipt of such restricted gifts), consult bond counsel to determine whether replacement proceeds may result that are required to be yield restricted.
10. Bona Fide Debt Service Fund. Even after all proceeds of a given issue have been spent, ensure that debt service funds, if any, meet the requirements of a "bona fide debt service fund," i.e., one used primarily to achieve a proper matching of revenues with debt service that is depleted at least once each bond year, except for a reasonable carryover amount not to exceed the greater of: (i) the earnings on the fund for the immediately preceding bond year; or (ii) one-twelfth of the debt service on the issue for the immediately preceding bond year. To the extent that a debt service fund qualifies as a bona fide debt service fund for a given bond year, the investment of amounts held in that fund is not subject to yield restriction for that year.
11. Debt Service Reserve Funds. Ensure that amounts invested in reasonably required debt service reserve funds, if any, do not exceed the least of: (i) 10 percent of the stated principal amount of the tax-advantaged obligations (or the sale proceeds of the issue if the issue has original issue discount or original issue premium that exceeds 2 percent of the stated principal

amount of the issue plus, in the case of premium, reasonable underwriter's compensation); (ii) maximum annual debt service on the issue; or (iii) 125% of average annual debt service on the issue.

12. Rebate and Yield Reduction Payment Compliance. Review the arbitrage rebate covenants contained in the Tax Certificate. Subject to certain rebate exceptions described below, investment earnings on proceeds at a yield in excess of the yield (i.e., positive arbitrage) generally must be rebated to the U.S. Treasury, even if a temporary period exception from yield restriction allowed the earning of positive arbitrage.

- a. Ensure that rebate and yield reduction payment calculations will be timely performed and payment of such amounts, if any, will be timely made. Such payments are generally due 60 days after the fifth anniversary of the date of issue, then in succeeding installments every five years. The final rebate payment for an issue is due 60 days after retirement of the last obligation of the issue. The Issuer should hire a rebate consultant if necessary.
- b. Review the rebate section of the Tax Certificate to determine whether the "small issuer" rebate exception applies to the issue.
- c. If the 6-month, 18-month, or 24-month spending exceptions from the rebate requirement (as described in the Tax Certificate) may apply to the tax-advantaged obligations, ensure that the spending of proceeds is monitored prior to semiannual spending dates for the applicable exception.
- d. Make rebate and yield reduction payments and file Form 8038-T in a timely manner.
- e. Even after all other proceeds of a given issue have been spent, ensure compliance with rebate requirements for any debt service reserve fund and any debt service fund that is not exempt from the rebate requirement (see the Arbitrage Rebate covenants contained in the Tax Certificate).

13. Maintenance and Retention of Arbitrage and Rebate Records. Maintain records of investments and expenditures of proceeds, rebate exception analyses, rebate calculations, Forms 8038-T, and rebate and yield reduction payments, and any other records relevant to compliance with the arbitrage restrictions for the period indicated in Section H. below.

H. RECORD RETENTION. The Responsible Officer or other responsible person shall ensure that for each issue of obligations, the transcript and all records and documents described in these Procedures will be

maintained while any of the obligations are outstanding and during the three-year period following the final maturity or redemption of that issue, or if the obligations are refunded (or re-refunded), while any of the refunding obligations are outstanding and during the three-year period following the final maturity or redemption of the refunding obligations.

EXHIBIT B
FORM OF BOND

REGISTERED
NO.

REGISTERED
\$.....

UNITED STATES OF AMERICA

STATE OF ARIZONA

COUNTY OF MARICOPA

(THIS BOND IS ONLY TRANSFERABLE UPON COMPLIANCE WITH THE
RESTRICTED TERMS PROVIDED IN THE RESOLUTION DESCRIBED HEREIN)

STONERIDGE COMMUNITY FACILITIES DISTRICT
GENERAL OBLIGATION REFUNDING BOND,
SERIES 2013

Interest Rate: Maturity Date: Dated as of:
.....% per annum , 2013

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

STONERIDGE COMMUNITY FACILITIES DISTRICT, a community facilities district, duly organized and existing under the laws of the State of Arizona (the "District"), for value received, hereby promises to pay to the Registered Owner indicated above, or registered assigns, the Principal Amount indicated above on the aforesaid Maturity Date, and, except as provided in the hereinafter defined Resolution, to pay interest on the Principal Amount at the aforesaid Interest Rate on 15, 20.., and on January 15 and July 15 of each year thereafter (each an "interest payment date") from the date of this Bond to its maturity or its redemption prior to maturity. The principal of and premium, if any, and interest on this Bond are payable by wire transfer of immediately available, federal funds to the registered owners (as described in the hereinafter described Resolution) to the account designated by such owners at the close of business on the first day of the calendar month next preceding that interest payment date (the "regular record date"). Any interest which is not timely paid or duly provided for shall cease to be payable to the registered owner hereof (or of one or more predecessor Bonds) as of the regular record date, and shall be payable to the registered owner hereof (or of one or more predecessor Bonds) at the close of business on a special record date for the payment of that overdue interest. The special record date shall be fixed whenever moneys become available for payment of the overdue interest, and notice of the special record date shall be given to the registered owners of the Bonds not less than 10 days prior thereto.

The bonds of this series (the "Bonds") are issued to refund all the outstanding bonds of the District (the "Bonds Being Refunded"). This Bond is one of a series of such bonds, issued in the aggregate principal amount of \$.....,000, of like tenor except as to maturity date, rate of interest and number by virtue of a resolution (the "Resolution"), duly adopted prior to the issuance hereof, and pursuant to and in conformity with the Constitution and laws of the State of Arizona, including particularly, Article 4 Chapter 3 of Title 35 and Section 48-719(D) of the Arizona Revised Statutes and all other laws of the State of Arizona relating thereto.

For the punctual payment of this Bond, and the interest hereon, there shall be levied on all the taxable property in the District a continuing, direct, annual, *ad valorem* tax sufficient to pay all such principal and interest of and on this Bond as the same become due, such taxes to be levied, assessed and collected at the same time and in the same manner as other taxes are levied, assessed and collected; provided, however, that the issuance of the Bonds shall in no way infringe upon the rights of the owners of the Bonds Being Refunded to rely upon a tax levy for payment of the principal and interest on the Bonds Being Refunded if the obligations of the United States government in which net proceeds of the Bonds are held to provide funds to pay when due, or called for redemption, the Bonds Being Refunded together with interest thereon, and with other funds legally available for such purposes deposited in the respective principal and interest redemption funds and held for the payment of the Bonds Being Refunded with interest on maturity or upon an available redemption date prove insufficient and further that the total aggregate of taxes levied to pay principal and interest on the Bonds in the aggregate shall not exceed the total aggregate principal and interest to become due on the Bonds Being Refunded from the date of issuance of the Bonds to the final date of maturity of the Bonds Being Refunded. The owners of the Bonds must rely on the sufficiency of the funds and securities held irrevocably in trust for payment of the Bonds Being Refunded.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE TOWN OF PRESCOTT VALLEY, ARIZONA, OR THE STATE OF ARIZONA OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) IS PLEDGED TO THE PAYMENT OF THE BONDS.

The Bonds maturing on July 15,, and July 15,, are not subject to redemption prior to maturity. The Bonds maturing on or after July 15,, are subject to optional redemption prior to maturity, in whole or in part, on July 15,, or any interest payment date thereafter, by the payment of a redemption price equal to the principal amount of each such Bond redeemed plus interest accrued to the date fixed for redemption plus a premium, the premium (calculated as a percentage of the principal amount of such Bonds to be redeemed) to be computed as follows:

<u>Redemption Dates</u>	<u>Premium</u>
July 15,, and January 15,%
July 15,, and thereafter	0.0

The Bonds maturing on July 15,, shall be redeemed prior to maturity on July 15, in the years and amounts set forth below, by payment of the principal amount of each Bond to be redeemed plus interest accrued to the date fixed for redemption, but without a premium:

<u>Year</u>	<u>Amount</u>
	\$

A remaining principal amount of \$.....,000 of Bonds maturing on July 15,, shall mature on July 15, At the option of the District, whenever Bonds maturing on July 15, are purchased, redeemed (other than pursuant to the foregoing scheduled mandatory redemption) or delivered by the District for cancellation, the principal amount of such Bonds so retired will satisfy and be credited against the mandatory redemption requirement for such Bonds in such manner as the District determines; provided, however, that following such reduction each mandatory redemption requirement for such Bonds is an integral multiple of \$5,000 of principal.

Not more than seventy-five (75) nor less than sixty (60) days prior to the mandatory redemption date for the Bonds maturing on July 15,, Bonds maturing on July 15,, shall be selected for redemption (by lot) from all the Bonds maturing on July 15,, outstanding a principal amount of the Bonds maturing on July 15,, equal to the aggregate principal amount of the Bonds maturing on July 15,, to be redeemed and shall redeem such Bonds maturing on July 15,, on the next July 15.

Not more than 45 nor less than 30 days before any redemption date, notice of any such redemption shall be mailed by first class mail, postage prepaid, to the principal registered owner.

This Bond may be transferred only pursuant to the terms provided by the Resolution.

Transfer of Bonds will not be required (a) during a period beginning with the opening of business on the 15th business day next preceding either any interest payment date or any date of selection of Bonds to be redeemed and ending with the close of business on the interest payment

date or day on which the applicable notice of redemption is given or (b) of any Bonds which have been selected for redemption.

This Bond shall not be entitled to any security or benefit under the Resolution or be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the [District Clerk of the District].*

It is hereby certified, recited and declared (i) that all conditions, acts and things required by the Constitution and laws of the State of Arizona to happen, to be done, to exist and to be performed precedent to and in the issuance of this Bond and of the series of which it is one, have happened, have been done, do exist and have been performed in regular and due form and time as required by law; (ii) that the obligation evidenced by the series of Bonds of which this is one, together with all other existing indebtedness of the District, does not exceed any applicable constitutional or statutory limitation; and (iii) that due provision has been made for the levy and collection of a direct, annual, *ad valorem* tax upon taxable property within the District over and above all other taxes authorized as limited by law, sufficient to pay the principal hereof and the interest hereon as each becomes due.

* Subject to change if a bond registrar and paying agent is employed as provided in the Resolution.

IN WITNESS WHEREOF, STONERIDGE COMMUNITY FACILITIES DISTRICT,
has caused this Bond to be executed in the name of the District by the
facsimile signature of the Chairperson of the Board of Directors of the
District and attested by the facsimile signature of the Clerk of the
District and countersigned by the facsimile signature of the District
Treasurer of the District.

STONERIDGE COMMUNITY FACILITIES
DISTRICT

By (Facsimile)
Chairperson

ATTEST:

..... (Facsimile)
District Clerk

COUNTERSIGN:

..... (Facsimile)
District Treasurer

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned
Resolution and is one of StoneRidge Community Facilities District General
Obligation Refunding Bonds, Series 2013.

Date of Authentication:

.....
[District Clerk, StoneRidge Community
Facilities District]*

* Subject to change if a bond registrar and paying agent is employed as
provided in the Resolution.



RBC Capital Markets®

RBC Capital Markets, LLC
2398 East Camelback Road, Suite 700
Phoenix, Arizona 85016
Telephone: 602-381-5368
Fax: 602-381-5380

EXHIBIT C

FORM OF PLACEMENT AGENT AGREEMENT



May 23, 2013

Mr. William Kauppi
Management Services Director
Town of Prescott Valley, Arizona
7501 East Civic Circle
Prescott Valley, AZ 86314

Re: \$8,900,000 (approximate)
StoneRidge Community Facilities District
District General Obligation Refunding Bonds
Series 2013

Mr. Kauppi:

RBC Capital Markets, LLC, (the "Placement Agent") offers to enter into this Placement Agreement with the StoneRidge Community Facilities District (the "Issuer" or "you"), which, upon your acceptance of this offer and subject to Paragraph 6 hereof, shall be binding upon both the Issuer and the Placement Agent. This offer is made subject to your acceptance of this Placement Agreement on or before 5:00 pm on May 28, 2013 and, if not so accepted, will be subject to withdrawal by the Placement Agent upon notice delivered to your office at the address shown above at any time prior to your acceptance hereof. The above-captioned bonds (the "Bonds") are to be issued pursuant to a Resolution of the Board of Directors of the StoneRidge Community Facilities District (the "Resolution"). Unless otherwise indicated, each capitalized term contained herein shall have the meaning assigned to it in the Resolution. The Issuer acknowledges and agrees that: (i) the transaction contemplated by this Placement Agreement is an "arm's length", commercial transaction between the Issuer and the Placement Agent in which the Placement Agent is not acting as a municipal advisor, financial advisor or fiduciary to the Issuer; (ii) the Placement Agent has not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Placement Agent has provided other services or is currently providing other services to the Issuer on other matters); (iii) the only obligations the Placement Agent has to the Issuer with respect to the transaction contemplated hereby expressly are set forth in this Placement Agreement; and (iv) the Issuer has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

Upon the terms and conditions and upon the basis of the representations, warranties and covenants set forth herein, the Placement Agent hereby agrees to use its best efforts to locate a purchaser for all, but not less than all of the Bonds on terms consistent with the Resolution. With your consent, the Placement Agent has conducted preliminary discussions with Alliance Bank of Arizona, a division of Western Alliance Bancorporation (the "Purchaser") to purchase the Bonds at a price of par. If the Purchaser does purchase the Bonds on the hereafter defined Closing Date, the Issuer will pay a placement fee equal to 1.50% of the par amount of Bonds issued, from Bond proceeds, to the Placement Agent on the Closing Date.

Simultaneously with the execution of this Placement Agreement, you will deliver or cause to be delivered to the Placement Agent a copy of the Resolution in substantially final form, duly approved and adopted and to be in full force and effect upon execution and delivery by the parties hereto.

You represent and warrant to and agree with the Placement Agent (and hereby it shall be a condition of the obligation of the Placement Agent to perform under this Placement Agreement) that you shall so represent and warrant as of the Closing Date that:

The Issuer is duly organized and validly existing under the laws of the State of Arizona (the "State").

The Issuer has complied materially, and reasonably expects, in all respects on the Closing Date to be in material compliance with all of the provisions of applicable State law.

The Issuer, prior to the acceptance hereof, has duly adopted the Resolution, and the Issuer has duly authorized and approved the execution and delivery of all necessary closing documents and this Placement Agreement (collectively, the "Bond Documents"), as well as the performance of its obligations contained in the Bonds and the consummation by it of all other transactions contemplated hereby.

The Issuer is not in breach of or default under any applicable law or administrative regulation of the State, any department, division, agency or instrumentality thereof, or of the United States or any applicable judgment or decree or any loan agreement, note, resolution, certificate, agreement or other instrument to which the Issuer is a party or is otherwise subject which breach or default would materially and adversely affect the Issuer or its ability to perform its duties and obligations under the Bond Documents; and the execution and delivery of this Placement Agreement, the adoption of the Resolution, the execution of the Bond Documents and the execution and the issuance of the Bonds and compliance with the provisions of each thereof will not conflict materially with or constitute a breach of or default under any applicable law or administrative regulation of the State or under any certificate, agreement, or other instrument to which the Issuer is a party or is otherwise subject which breach or default would materially and adversely affect the Issuer, its Bond Documents or its ability to perform its duties and obligations under the Bond Documents.

All approvals, consents and orders of any governmental authority, board, agency or commission having jurisdiction that would constitute a condition precedent to the performance by the Issuer of its obligations hereunder and under the Bond Documents and the Bonds have been, or prior to the Closing Date will have been, obtained.

No litigation is pending or, to the knowledge of the Issuer, threatened in any court in any way affecting the existence of the Issuer or the title of the members of the Issuer to their respective offices or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds, or the collection or application of the taxes from which the Bonds are to be payable under the Bond Documents to pay the principal of and interest on the Bonds, or in anyway contesting or affecting the validity or enforceability of the Bonds, the Resolution or this Placement Agreement, or contesting the powers of the Issuer or its members with respect to the Bonds.

The Issuer will apply the proceeds of the Bonds in accordance with the applicable terms of the Resolution and the Series 2001 Indenture of Trust.

On the Closing Date, the Placement Agent shall receive a copy of each of the following documents, each dated the Closing Date:

a certified copy of the Resolution;

a certificate of an authorized officer of the Issuer that the Resolution and any supplements and this Placement Agreement are in full force and effect;

opinions of your bond counsel, Greenberg Traurig LLP (“Bond Counsel”), dated the Closing Date in form and substance satisfactory to the Placement Agent;

a certificate, dated as of the Closing Date and signed by an authorized officer of the Issuer, to the effect that (A) the representations, warranties and covenants of the Issuer contained herein are true and correct in all material respects on and as of the Closing Date, with the same effect as if made on the date of the delivery of the Bonds by the Issuer; (B) no litigation is pending or, to its knowledge, threatened in any court in any way affecting the existence of the Issuer or the titles of its officers or directors to their respective positions, or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds, or the collection of or application of the taxes to pay the principal of and premium, if any, and interest on the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Bonds, the Resolution, the Bond Documents or this Placement Agreement, or contesting the powers of the Issuer or its authority with respect to the Bonds, the Resolution, the Bond Documents or this Placement Agreement (but in lieu of or in conjunction with such certificate, the Placement Agent may, in its sole discretion, accept certificates or opinions of counsel to the Issuer, acceptable to the Placement Agent, that in the opinion of such counsel the issues raised in any such pending or threatened litigation are without substance or that the contentions of all plaintiffs therein are without merit); and (C) the Issuer has complied in all material respects with the Resolution and the terms of the Bonds and satisfied all material conditions on its part to be performed or satisfied at or prior to the delivery of the Bonds;

a certificate under the Resolution as to the delivery of the Bonds and a certificate of the Issuer as to the receipt of payment therefore;

a letter from the Purchaser in form and substance satisfactory to the Placement Agent; and

such additional certificates, instruments or opinions as Bond Counsel, the Issuer or the Placement Agent may deem necessary or desirable.

All certificates, instruments, opinions and documents referred to above and any resolutions shall be in form and substance satisfactory to Bond Counsel, the Issuer and the Placement Agent.

If the obligations of the Placement Agent shall be terminated for any reason permitted hereby, neither the Placement Agent nor the Issuer shall be under further obligation hereunder.

At or prior to 12:00 p.m. on June __, 2013 (the “Closing Date”), you will deliver to, or at the direction of, the Purchaser the Bonds in definitive fully registered form duly executed, registered in the names and denomination specified by the Purchaser together with the other documents hereinabove mentioned, upon payment of the purchase price of the Bonds, net of the Placement Agent fees as set forth in Paragraph 1 hereof by wire and in immediately available funds. Delivery as aforesaid shall be made in the office of the District’s Bond Counsel, as shall have been mutually agreed upon and such payment shall be made simultaneously therewith. This payment and delivery is herein called the “Closing.”

Unless otherwise set forth herein, the representations and agreements in this Placement Agreement shall survive the delivery of the Bonds hereunder.

The Placement Agent’s obligation hereunder to use its best efforts to place the Bonds shall be subject to the performance by you of your obligations hereunder in all material respects at or prior to the Closing and the accuracy in all material respects of your representations and warranties contained herein and shall also be subject to the following conditions:

At the time of the Closing, the Resolution and all related documents of the Issuer with respect to the issuance of the Bonds shall be in full force and effect and shall not have been amended, modified or supplemented, except as may have been agreed to by the undersigned.

The undersigned may terminate this Placement Agreement by notification in writing to you if at any time subsequent to the date hereof and at or prior to the Closing Date: (i) a stop order, ruling, regulation, proposed regulation or statement by or on behalf of the Securities and Exchange Commission shall be issued or made to the effect that the issuance, offering or sale of the Bonds without registration thereof or obligations of the general character of the Bonds is in violation of any provision of the Securities Act of 1933 or of the Trust Indenture Act of 1939; (ii) in the Congress of the United States, legislation shall be enacted or a bill shall be favorably reported out of committee of either house, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation or statement by or on behalf of the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that securities of the issuer or of any similar body are not exempt from the registration, qualification or other requirements of the Securities Act of 1933 or the Trust Indenture Act of 1939; (iii) the United States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency; (iv) there shall have occurred a general suspension of trading on the New York Stock Exchange; or (v) a general banking moratorium shall have been declared by the United States, State of New York, or State of Arizona authorities.

The Issuer shall have arranged for payment of the Placement Agent's fee from Bond proceeds at the time of Closing.

You shall perform or have performed in all material respects at or prior to the Closing all of your obligations required under or specified in this Placement Agreement and the Resolution to be performed at or prior to the Closing.

On or before 12:00 p.m. on the business day before the Closing Date, the Purchaser shall deliver to the Trustee the names in which the Bonds are to be registered and the denominations thereof. At the Closing, contemporaneously with the receipt of the Bonds, the Purchaser will deliver to you a receipt therefor, in form satisfactory to Bond Counsel, signed by the Purchaser.

You shall pay, solely from the proceeds of the sale of the Bonds, upon or promptly after the Closing: (a) the cost of the preparation and printing of the Bonds; (b) the fees and disbursements of Bond Counsel and of any other counsel or consultants retained by you; (c) the fees and expenses of the Placement Agent and (d) fees and expenses of Purchaser's Counsel. The Issuer shall be under no obligation to pay any expenses incident to the performance of the obligations of the Placement Agent hereunder.

This Placement Agreement may be terminated at any time by the Issuer, upon five business days' prior notice to such effect to the Placement Agent, or by the Placement Agent upon five business days' prior notice to such effect to the Issuer. Any such termination, however, shall not affect the obligations of the Issuer under Section 8 hereof or the respective representations, warranties, agreements, covenants, rights or responsibilities of the parties made or arising prior to the termination of this Agreement.

The agreements and all representations and warranties herein set forth have been and are made for the benefit of the Placement Agent and the Issuer, and no other person shall acquire or have any right under or by virtue of this Placement Agreement.

This Placement Agreement shall become effective upon the execution of the acceptance hereof by an authorized officer of the Issuer and shall be valid and enforceable as of the time of such acceptance.

RBC CAPITAL MARKETS, LLC



By

Name Nicholas Dodd

Title Director

Date May 23, 2013

ACCEPTANCE

ACCEPTED this [_____] day of [____], 20__

By _____

Name _____

Title _____

Date _____

EXHIBIT D

RESTATED DISTRICT DEVELOPMENT, FINANCING PARTICIPATION AND
INTERGOVERNMENTAL AGREEMENT

RESTATED DISTRICT DEVELOPMENT, FINANCING PARTICIPATION AND
INTERGOVERNMENTAL AGREEMENT
(STONERIDGE COMMUNITY FACILITIES DISTRICT)

THIS RESTATED DISTRICT DEVELOPMENT, FINANCING PARTICIPATION AND INTERGOVERNMENTAL AGREEMENT (STONERIDGE COMMUNITY FACILITIES DISTRICT), dated as of May 23, 2013 (hereinafter referred to as this "*Restated Agreement*"), by and among the Town of Prescott Valley, Arizona, a municipality duly incorporated and validly existing pursuant to the laws of the State of Arizona (hereinafter referred to as the "*Municipality*"); StoneRidge Community Facilities District, a community facilities district formed by the Municipality, and duly organized and validly existing, pursuant to the laws of the State of Arizona (hereinafter referred to as the "*District*"); First American Title Insurance Agency of Yavapai, Inc., an Arizona corporation, as trustee under Trusts Nos. 4295, 4297, 4398 and 4579, each having an interest in real property in the District (hereinafter referred to as the "*Owner*"); and Univest-StoneRidge, L.L.C. and Univest-StoneRidge Golf, L.L.C., duly organized and validly existing Arizona limited liability companies (hereinafter together referred to as "*Univest*");

W I T N E S S E T H:

WHEREAS, pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes, as amended (hereinafter referred to as the "*Act*"), and Section 9-500.05, Arizona Revised Statutes, as amended, the Municipality, the District, the Owner and Univest may enter into this Restated Agreement as a "development agreement" to specify, among other things, conditions, terms, restrictions and requirements for "public infrastructure" (as such term is defined in the Act) and the financing of public infrastructure over time; and

WHEREAS, with regard to the property described in Exhibit "A" hereto (hereinafter referred to as the "*Property*") which makes up the real property included within the District upon which the StoneRidge residential subdivision has been developed (hereinafter referred to as "StoneRidge"), the Municipality, the District, the Owner and Univest have

determined to specify some of such matters in this Restated Agreement, particularly matters relating to the ongoing maintenance of heretofore constructed public infrastructure for StoneRidge, all pursuant to the Act; and

WHEREAS, this Restated Agreement as a "development agreement" is consistent with the "general plan" of the Municipality, as defined in Section 9-461, Arizona Revised Statutes, as amended, applicable to the Property on the date this Restated Agreement is executed; and

WHEREAS, pursuant to an election held on November 13, 2001, in and for the District (hereinafter referred to as the "Election"), questions authorizing the district board of the District (hereinafter referred to as the "*District Board*") (i) to issue certain general obligation bonds of the District to provide moneys for certain "public infrastructure purposes" (as such term is defined in the Act) described in the General Plan of the District heretofore approved by the Municipality and the District and (ii) to levy, assess and collect an operation and maintenance tax in an amount equal to \$0.30 per \$100.00 of assessed valuation for all real and personal property in the District (hereinafter referred to as the "*O/M Tax*") to provide for amounts attributable to the operation and maintenance expenses of the District were approved pursuant to the Act; and

WHEREAS, pursuant to the Act and Title 11, Chapter 7, Article 3, Arizona Revised Statutes, as amended (hereinafter referred to as the "*Intergovernmental Agreement Act*"), the District and the Municipality may enter into the specified sections of this Restated Agreement as an "intergovernmental agreement" with one another for joint or cooperative action for services and to jointly exercise any powers common to them and for the purposes of the planning, design, inspection, ownership, control, maintenance, operation or repair of "public infrastructure"; and

WHEREAS, pursuant to Resolution No. 1058 of the Municipality and Resolution No. 3 of the District (each adopted on November 20, 2001), a District Development, Financing Participation and Intergovernmental Agreement (StoneRidge Community Facilities District), dated as of November 1, 2001 (hereinafter referred to as the "Original Agreement") was entered into by and among the Municipality, the District, the Owner, and StoneRidge Prescott Valley

L.L.C., an Arizona limited liability company, and SunCor Development Company, an Arizona corporation (hereinafter together referred to as "SunCor"); and

WHEREAS, pursuant to the Original Agreement, SunCor (at its sole cost and expense) caused the public infrastructure described in Exhibit "B" hereto (hereinafter referred to as, collectively, the "Acquired Infrastructure") to be constructed pursuant to the plans and specifications therefor (hereinafter referred to as the "Plans and Specifications") on real property owned by the Owner, and underlying ownership of real property on which the Acquired Infrastructure was built has since been determined in the final plat or final development plan process of the Municipality; and

WHEREAS, said Acquired Infrastructure was bid pursuant to the provisions of Title 34, Chapter 2, Article 1, Arizona Revised Statutes, as amended (and pursuant to certain other specified bid requirements), and constructed under contracts with the lowest responsible bidders as certified by the engineers of the Owner and the District (hereinafter referred to as the "Owner Engineer" and the "District Engineer," respectively, and collectively as the "Engineers") in the form of Exhibit "C" hereto (hereinafter referred to as the "Certificate of the Engineers"); and

WHEREAS, in its Resolution No. 3 the District further authorized issuance of \$14,800,000.00 in bonds (hereinafter referred to as the "2001 Bonds"); and

WHEREAS, using the proceeds of the 2001 Bonds, the District purchased from SunCor the Acquired Infrastructure at a price based on the sum of the amounts paid by SunCor for (1) design of each segment thereof (including the costs of the review of such design by the District Engineer), (2) construction of the segment pursuant to the applicable contract (including any approved increases or decreases to such contract amount), (3) inspection and supervision of performance under applicable contracts, and (4) other miscellaneous costs for each segment attributable to construction of the segment approved by the Engineers (but not including any amounts paid by SunCor for any related real estate or interest therein) after receipt by the District Manager with respect to each segment (a) the Certificate of the Engineers, (b) the "Conveyance for

Segment of Project" in the form of Exhibit "E" hereto (hereafter referred to as a "Conveyance"), (c) evidence that public access to the segment had been or would be provided to the Municipality, (d) the assignment of all contractors' and materialmens' warranties and guarantees as well as payment and performance bonds, (e) an acceptance letter issued by the Municipality and by its terms subject specifically to recordation of the Conveyance of the Segment, and (f) such other documents, instruments, approvals or opinions as reasonably requested by the District Manager, including title reports, insurance and opinions and evidence satisfactory to the District Manager that such real property did not contain environmental contaminants which make such real property unsuitable for its intended use or, to the extent such contaminants were present, a plan satisfactory to the District Manager which set forth the process by which such real property would be made suitable for its intended use and the sources of funds necessary to accomplish such purpose; and

WHEREAS, simultaneously with the payment of the related segment price, each segment of the Acquired Infrastructure acquired by the District was accepted (including for purposes of maintenance and operation thereof) by the Municipality, subject to the conditions pursuant to which such facilities were typically accepted by the Municipality, and were thereafter made available for use by the general public; and

WHEREAS, pursuant to the Original Agreement, SunCor and the 2001 Bonds trustee had entered into agreements to make semi-annual standby contributions to supplement ad valorem tax collections from owners of StoneRidge in order to make the 2001 Bonds payments and to deposit \$2,960,000.00 in cash with the 2001 Bonds trustee for use if the stand-by contributions ceased for any reason (hereinafter jointly referred to as the "Contribution Agreements"); and

WHEREAS, after years of success (wherein SunCor faithfully made its standby contributions under the Contribution Agreements), the economic downturn ultimately led to efforts by SunCor in 2009 to end its obligations as developer of StoneRidge, including an

assignment of its interests in the Original Agreement and the Contribution Agreements (approved by the District and the Municipality on August 18, 2011) to Univest; and

WHEREAS, SunCor filed for Chapter 11 bankruptcy on Feb 24, 2012, and the resulting legal process eventually resulted in a settlement plan which included a \$1,358,436.00 payment towards the joint claim by the District and the 2001 Bonds trustee with regard to the present value of SunCor's residual obligation to make standby contributions over the life of the 2001 Bonds (said plan becoming effective on March 25, 2013); and

WHEREAS, after deducting the District and 2001 Bonds trustee bankruptcy costs, \$1,075,568.36 of said settlement payment under the plan is now available to refinance the 2001 Bonds (along with the \$2,960,000.00 cash deposit and a \$100,000.00 contribution from Univest over and above its previous standby contributions under the Contribution Agreements); and

WHEREAS, the underwriter for the 2001 Bonds has proposed that the District refund the 2001 Bonds and issue new bonds which, through a private placement, would result in decreased interest rates and allow removal of the requirement for future standby contributions without increasing the total tax amounts needed from current StoneRidge residents (and the prospect of future reductions in total tax amounts as additional residents move into StoneRidge); and

WHEREAS, as a result, the parties to the Original Agreement desire now to revise and restate said agreement by adopting this Restated Agreement to remove the requirements for the Contribution Agreements and remove any reference to issuance of future District bonds for StoneRidge;

NOW, THEREFORE, in the joint and mutual exercise of their powers, in consideration of the above premises and of the mutual covenants herein contained and for other valuable consideration, and subject to the conditions set forth herein the parties hereto agree that:

ARTICLE I

RECISSION OF ORIGINAL AGREEMENT AND ADOPTION OF RESTATED AGREEMENT

Section 1.1. The Original Agreement is hereby rescinded in its entirety and the Restated Agreement is hereby adopted.

ARTICLE II

ONGOING INDEMNIFICATION

Section 2.1. (a) Univest shall continue to indemnify and hold harmless the Municipality and the District and each legislator, director, trustee, partner, member, officer, official, independent contractor or employee thereof and each person, if any, who controls the Municipality and/or the District within the meaning of the Securities Act of 1933, as amended (hereinafter referred to as the "*Securities Act*"), (any such person being herein sometimes called an "*Indemnified Party*") for, from and against any and all losses, claims, damages or liabilities, joint or several, arising from any challenge or matter relating to the formation, activities or administration of the District (but only as to matters that relate to the District or the Municipality and the Owner or Univest and not matters that involve the Municipality and other owners of land in the Municipality), or the carrying out of the provisions of this Restated Agreement, including particularly but not by way of limitation (A) for any losses, claims or damages or liabilities related to any contract including claims of any contractor, vendor, subcontractor or supplier, (B) to which any such Indemnified Party may become subject, under any statute or regulation at law or in equity or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact set forth in any offering document relating to the 2001 Bonds or any refunding bonds, or that arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or which is necessary to make the statements therein, in light of the circumstances in which they were made, not misleading in any material respect and (C) to the extent of the aggregate amount paid in any settlement of any litigation commenced or threatened arising from a

claim based upon any such untrue statement or alleged untrue statement or omission or alleged omission if such settlement is effected with the written consent of Univest (which consent shall not be unreasonably withheld) and (2) shall reimburse any legal or other expenses reasonably incurred by any such Indemnified Party in connection with investigating or defending any such loss, claim, damage, liability or action.

(b) This Section shall not be applicable to matters involving any negligence or willful misconduct of any Indemnified Party.

(c) An Indemnified Party shall, promptly after the receipt of notice of a written threat of the commencement of any action against such Indemnified Party in respect of which indemnification may be sought against Univest, notify the Owner in writing of the commencement thereof and provide a copy of the written threat received by such Indemnified Party. Failure of the Indemnified Party to give such notice shall reduce the liability of Univest by the amount of damages attributable to the failure of the Indemnified Party to give such notice to Univest, but the omission to notify Univest of any such action shall not relieve Univest from any liability that any of them may have to such Indemnified Party otherwise than under this section. In case any such action shall be brought against an Indemnified Party and such Indemnified Party shall notify Univest of the commencement thereof, Univest may, or if so requested by such Indemnified Party shall, participate therein or defend the Indemnified Party therein, with counsel satisfactory to such Indemnified Party and Univest (it being understood that, except as hereinafter provided, Univest shall not be liable for the expenses of more than one counsel representing the Indemnified Parties in such action), and after notice from Univest to such Indemnified Party of an election so to assume the defense thereof, Univest shall not be liable to such Indemnified Party under this section for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof; provided, however, that unless and until Univest defends any such action at the request of such Indemnified Party, Univest shall have the right to participate at its own expense in the defense of any such action. If Univest shall not have employed counsel to

defend any such action or if an Indemnified Party shall have reasonably concluded that there may be defenses available to it and/or other Indemnified Parties that are different from or additional to those available to Univest (in which case Univest shall not have the right to direct the defense of such action on behalf of such Indemnified Party) or to other Indemnified Parties, the legal and other expenses, including the expense of separate counsel, incurred by such Indemnified Party shall be borne by Univest.

(d) Univest shall not have any obligation to indemnify or hold harmless any Indemnified Party until such time that the Indemnified Party has exhausted all other insurance, risk retention or other indemnification options or remedies available to it. In the event that the Indemnified Party's insurance, risk retention or other indemnification options or remedies are insufficient to reimburse the Indemnified Party for its actual losses, claims, damages or liabilities, then, and only then, shall the Indemnified Party have a right to indemnification from Univest, and only to the extent that Univest's indemnification will be secondary to, and in excess of, the Indemnified Party's primary insurance, risk retention or other indemnification options or remedies.

ARTICLE III

PAYMENT OF CERTAIN EXPENSES AND COSTS

Section 3.1. To provide for expenses and costs for agents or third parties required to administer the 2001 Bonds or any refunding bonds, levy and collection of *ad valorem* taxes for payment of the 2001 Bonds or any refunding bonds, preparation of annual audits and budgets and any purposes otherwise related to such activities of the District, amounts shall be budgeted by the District Board each year in the budget of the District for such purposes and shall be paid from amounts available from the tax levy the District shall have imposed each year by resolution sufficient to pay the Total Debt Service of the 2001 Bonds or any refunding bonds.

Section 3.2. To provide for reasonable expenses and costs of the operation and administration of the District including any overhead incurred by the Municipality with respect thereto (hereinafter referred to as the "*District Expenses*") and of the operation and maintenance of

the Acquired Infrastructure and for accumulating a "replacement reserve amount" with respect thereto (including any overhead incurred by the Municipality with respect thereto) (hereinafter referred to as the "*O/M Expenses*"), the District Board shall levy the O/M Tax on all taxable property in the District and shall apply the collections of the O/M Tax *first* to pay the District Expenses and *second* to pay the O/M Expenses. ("Replacement reserve amount" shall mean an amount calculated using reasonable accounting practices based on the useful life of the various assets composing the Acquired Infrastructure established by the Internal Revenue Code of 1986, as amended, to be used to replace such assets so long as the Municipality has established and funded similar replacement reserve amounts for substantially all like kind assets of the Municipality not financed by the District.) To the extent the collections of the O/M Tax are not sufficient to pay the District Expenses and the O/M Expenses, Uninvest shall, to the extent of reasonable amounts necessary therefor, be liable and obligated to pay to the District on July 1 of each fiscal year of the District the amount of any shortfall indicated in the budget of the District with respect to the District Expenses and the O/M Expenses, including any amount required because of any shortfall in the prior fiscal year of the District as provided in such budget and no matter how such shortfall was otherwise funded. The District shall only levy the O/M Tax in an amount necessary for the District Expenses and the O/M Expenses reflected in the budget of the District for the fiscal year of the District and only in reasonable amounts therefor. The obligations of Uninvest pursuant to this Section shall not exceed \$45,000 per fiscal year of the District beginning with the first full fiscal year of the District after the execution and delivery of this Restated Agreement and shall only be effective until the earlier of fifteen (15) years from July 1, 2002, and the July 1 after the date that the two thousand five hundred eighteenth building permit for a density unit (as such term is used in the July 1, 2000 Restated Development Agreement described in Section 7.6) within the boundaries of the District is issued.

ARTICLE IV
MISCELLANEOUS

Section 4.1. None of the Municipality, the District, the Owner nor Uninvest shall knowingly take, or cause to be taken, any action which would cause interest on the 2001 Bonds or any refunding bond to be includable in gross income for federal income tax purposes pursuant to Section 61 of the Internal Revenue Code of 1986, as amended.

Section 4.2. (a) To provide evidence satisfactory to the District Manager that any prospective purchaser of land within the boundaries of the District has been notified that such land is within the boundaries of the District and that the 2001 Bonds or any refunding bonds may be then or in the future outstanding, a disclosure statement shall be produced by Uninvest (modified from time to time as necessary to adequately describe the District and the 2001 Bonds or any refunding bonds and source of payment for debt service therefor as agreed by the District Manager and Uninvest).

(b) Uninvest shall or shall require that each homebuilder to whom the Owner has sold land:

(1) cause any purchaser of land to sign the disclosure statement upon entering into a contract for purchasing such land;

(2) provide a copy of each fully executed disclosure statement to be filed with the District Manager and

(3) provide such information and documents, including audited financial statements to any necessary repository or depository, but only to the extent necessary for the underwriters of the 2001 Bonds or any refunding bonds to comply with Rule 15c2-12 of the Securities Exchange Act of 1934.

Section 4.3. This Restated Agreement shall be binding upon and shall inure to the benefit of the parties to this Restated Agreement and their respective legal representatives, successors and assigns; provided, however, that none of the parties hereto shall be entitled to

assign its right hereunder or under any document contemplated hereby without the prior written consent of the other parties to this Restated Agreement, which consent shall not be unreasonably withheld.

Section 4.4. Each party hereto shall, promptly upon the request of any other, have acknowledged and delivered to the other any and all further instruments and assurances reasonably requested or appropriate to evidence or give effect to the provisions of this Restated Agreement.

Section 4.5. This Restated Agreement sets forth the entire understanding of the parties as to the matters set forth herein as of the date this Restated Agreement is executed and cannot be altered or otherwise amended except pursuant to an instrument in writing signed by each of the parties hereto. This Restated Agreement is intended to reflect the mutual intent of the parties with respect to the subject matter hereof, and no rule of strict construction shall be applied against any party.

Section 4.6. Compliance by the District with the provisions of the Original Agreement and this Restated Agreement shall be considered satisfaction on behalf of the Municipality of the requirements thereof created by Section 5 of the July 1, 2000 Restated Development Agreement.

Section 4.7. This Restated Agreement shall be governed by and interpreted in accordance with the laws of the State of Arizona.

Section 4.8. The waiver by any party hereto of any right granted to it under this Restated Agreement shall not be deemed to be a waiver of any other right granted in this Restated Agreement nor shall the same be deemed to be a waiver of a subsequent right obtained by reason of the continuation of any matter previously waived under or by this Restated Agreement.

Section 4.9. This Restated Agreement may be executed in any number of counterparts, each of which, when executed and delivered, shall be deemed to be an original, but all of which taken together shall constitute one of the same instrument.

Section 4.10. The Municipality and the District may, within three (3) years after its execution, cancel this Restated Agreement, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating this Restated Agreement on behalf of the Municipality or the District, respectively, is, at any time while this Restated Agreement is in effect, an employee or agent of the Owner or Uninvest in any capacity or a consultant to any other party of this Restated Agreement with respect to the subject matter of this Restated Agreement and may recoup any fee or commission paid or due any person significantly involved in initiating, negotiating, securing, drafting or creating this Restated Agreement on behalf of the Municipality or the District, respectively, from the Owner or Uninvest arising as the result of this Restated Agreement. The Owner and Uninvest have not taken and shall not take any action which would cause any person described in the preceding sentence to be or become an employee or agent of the Owner or Uninvest in any capacity or a consultant to any party to this Restated Agreement with respect to the subject matter of this Restated Agreement.

Section 4.11. The term of this Restated Agreement shall be as of the date of the execution and delivery hereof by each of the parties hereto and shall expire upon the earlier of the agreement of the District, the Municipality, the Owner and Uninvest to the termination hereof and November 1, 2050.

Section 4.12. (a) All notices, certificates or other communications hereunder (including in the Exhibits hereto) shall be sufficiently given and shall be deemed to have been received 48 hours after deposit in the United States mail in registered or certified form with postage fully prepaid addressed as follows:

If to the Municipality:

7501 East Civic Circle
Prescott Valley, Arizona 86314
Attention: Town Clerk

If to the District:

7501 East Civic Circle
Prescott Valley, Arizona 86314
Attention: District Clerk

If to the Owner:

Suite E
624 West Gurley Street
Prescott, Arizona 86305
Attention: Trustee Owner:

If to Uninvest:

4900 N. Scottsdale Road Suite 1000
Scottsdale, Arizona 85251
Attention: Tom Lowe

Any of the foregoing, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent.

(b) The District Engineer shall be Dava & Associates, and the Owner Engineer shall be either Lyons Engineering or Copeland Geotechnical Consultants, Inc. provided, however, that either party may change such engineer upon not less than thirty (30) days written notice to the other party.

Section 4.13. If any provision of this Restated Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision thereof.

Section 4.14. The headings or titles of the several Articles and Sections hereof and in the Exhibits hereto, and any table of contents appended to copies hereof and thereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Restated Agreement. All references herein to "Exhibits," "Articles," "Sections," and other subdivisions are to the corresponding Exhibits, Articles, Sections or subdivisions of this Restated Agreement; the words "herein," "hereof," "hereunder" and other words of similar import refer to this Restated Agreement as a whole and not to any particular Exhibit, Article, Section or subdivision hereof.

Section 4.15. This Restated Agreement does not relieve any party hereto of any obligation or responsibility imposed upon it by law; provided, however, that if the provisions of this Restated Agreement conflict in any particular with those of the Subdivision Trust Agreement which created Trusts Nos. 4295, 4297, 4398 and 4579 of First American Title Agency of Yavapai, Inc., the provisions of this Restated Agreement shall supersede and control those of such Subdivision Trust Agreement in all respects.

Section 4.16. No later than ten (10) days after this Restated Agreement is executed and delivered by each of the parties hereto, Univest shall on behalf of the Municipality and the District record a copy of this Agreement with the County Recorder of Yavapai County, Arizona.

Section 4.17. Unless otherwise expressly provided, the representations, covenants, indemnities and other agreements contained herein shall be deemed to be material and continuing, shall not be merged and shall survive any conveyance or transfer provided herein.

Section 4.18. If any party hereto shall be unable to observe or perform any covenant or condition herein by reason of "force majeure," then the failure to observe or perform such covenant or condition shall not constitute a default hereunder so long as such party shall use its best efforts to remedy with all reasonable dispatch the event or condition causing such inability and such event or condition can be cured within a reasonable amount of time. "Force majeure," as used here, means any condition or event not reasonably within the control of such party, including, without limitation, "acts of God"; strikes, lock-outs, or other disturbances of employer/employee relations; acts of public enemies; orders or restraints of any kind of the government of the United States or any state thereof or any of their departments, agencies, or officials, or of any civil or military authority; insurrection; civil disturbances; riots; epidemics; landslides; lightning; earthquakes; subsidence; fires; hurricanes; storms; droughts; floods; arrests; restraints of government and of people; explosions; and partial or entire failure of utilities. Failure to settle strikes, lock-outs and other disturbances of employer/employee relations or to settle legal or administrative proceedings by acceding to the demands of the opposing party or parties, in either

case when such course is in the judgment of the party hereto unfavorable to such party, shall not constitute failure to use its best efforts to remedy such a condition or event.

Section 4.19. Whenever the consent or approval of any party hereto, or of any agency therefor, shall be required under the provisions hereof, such consent or approval shall not be unreasonably withheld, conditioned or delayed.

Section 4.20. Notwithstanding any other provision of this Restated Agreement to the contrary, the provisions of Sections 4.1, 4.3, 4.4, 4.5, 4.6, 4.7, 4.8, 4.9, 4.10, 4.11, 4.12, 4.13, 4.14, 4.15, 4.17, 4.18 and 4.19 hereof are the only provisions that are effective against the Municipality for purposes of the Intergovernmental Agreement Act and as the Intergovernmental Agreement Act is intended to be applied for purposes of this Restated Agreement.

* * *

IN WITNESS WHEREOF, the officers of the Municipality and of the District have duly affixed their signatures and attestations, and the officers of the Owner their signatures, all as of the day and year first written above.

TOWN OF PRESCOTT VALLEY, ARIZONA

By.....
Harvey C. Skoog, Mayor

ATTEST:

.....
Diane Russell, Town Clerk

Pursuant to A.R.S. Section 11-952(D), this Agreement has been reviewed by the undersigned attorney for the Municipality who has determined that this Agreement is in proper form and is within the powers and authority granted pursuant to the laws of this State to the Municipality.

.....
Ivan Legler, Town Attorney

STONERIDGE COMMUNITY FACILITIES
DISTRICT

By.....
Harvey C. Skoog, Chairman,
District Board

ATTEST:

.....
Diane Russell, District Clerk

Pursuant to A.R.S. Section 11-952(D), this Agreement has been reviewed by the under-
signed attorney for the District, who has
determined that this Agreement is in proper
form and is within the powers and authority
granted pursuant to the laws of this State to
the District.

.....
Ivan Legler, District Counsel

FIRST AMERICAN TITLE INSURANCE
AGENCY OF YAVAPAI, INC., an Arizona
corporation, as trustee under
Trusts Nos. 4295, 4297, 4398 and
4579

By.....

Printed Name:.....

Title:.....

UNIVEST-STONERIDGE, L.L.C., an Arizona
limited liability company

By: _____

By.....

Printed Name:.....

Title:.....

UNIVEST-STONERIDGE GOLF, L.L.C., an
Arizona limited liability company

By: _____

By.....

Printed Name:.....

Title:.....

STATE OF ARIZONA)
) ss
COUNTY OF YAVAPAI)

The foregoing instrument was acknowledged before me this day of,
2013, by Harvey C. Skoog, as Mayor of the Town of Prescott Valley, Arizona, a municipal
corporation under the laws of the State of Arizona.

.....
Notary Public

My commission expires:
.....

STATE OF ARIZONA)
) ss
COUNTY OF YAVAPAI)

The foregoing instrument was acknowledged before me this day of,
2013, by Harvey C. Skoog, as Chairman of the District Board of StoneRidge Community Facilities
District, an Arizona community facilities district.

.....
Notary Public

My commission expires:
.....

STATE OF ARIZONA)
) ss
COUNTY OF YAVAPAI)

On this day, personally appeared before me , as
of First American Title Agency of Yavapai, Inc., who is known to me to be the person whose name
is above subscribed, and after being first duly sworn, acknowledged upon her/his oath that she/he
executed the foregoing for the purposes therein contained.

In witness whereof, I hereunto set my hand and official seal on, 2013.

.....
Notary Public

My commission expires:

.....

STATE OF ARIZONA)
) ss
COUNTY OF)

On this day, personally appeared before me , as
of _____, who is known to me to be the person whose name is above subscribed, and
after being first duly sworn, acknowledged upon her/his oath that she/he executed the foregoing
for the purposes therein contained on behalf of Uninvest-StoneRidge L.L.C.

In witness whereof, I hereunto set my hand and official seal on, 2013.

.....
Notary Public

My commission expires:

.....

STATE OF ARIZONA)
) ss
COUNTY OF)

On this day, personally appeared before me , as
of _____, who is known to me to be the person whose name is above subscribed, and
after being first duly sworn, acknowledged upon her/his oath that she/he executed the foregoing
for the purposes therein contained on behalf of Univest-StoneRidge Golf L.L.C.

In witness whereof, I hereunto set my hand and official seal on, 2013.

.....
Notary Public

My commission expires:

.....

ATTACHMENTS:

- EXHIBIT A -- Legal Description Of Property To Be Included In The District
- EXHIBIT B -- Description Of Infrastructure Projects To Be Acquired
- EXHIBIT C -- Form Of Certificate Of Engineers For Conveyance Of Segment Of Project
- EXHIBIT E -- Form Of Conveyance Of Segment Of Project

EXHIBIT A
Legal Description Of Property To Be Included In The District

EXHIBIT B
Description Of Infrastructure Projects To Be Acquired

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Form Of Certificate Of Engineers For Conveyance Of Segment Of Project

EXHIBIT E
Form Of Conveyance Of Segment Of Project