

RESOLUTION NO. 1833

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PRESCOTT VALLEY, A MUNICIPAL CORPORATION OF ARIZONA, APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A RESTATED DISTRICT DEVELOPMENT, FINANCING PARTICIPATION AND INTERGOVERNMENTAL AGREEMENT (STONERIDGE COMMUNITY FACILITIES DISTRICT); AND DECLARING AN EMERGENCY

BE IT RESOLVED BY THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PRESCOTT VALLEY, ARIZONA, as follows:

1. Findings.

a. Pursuant to Resolution No. 1031, adopted on July 26, 2001, the Town of Prescott Valley, Arizona, an incorporated municipality of the State of Arizona (hereinafter called the "Municipality") formed the StoneRidge Community Facilities District (hereinafter called the "District").

b. Pursuant to Title 48, Chapter 4, Article 6 (hereinafter referred to as the "Act") and Section 9 500.05, Arizona Revised Statutes, as amended, the Municipality, the District, First American Title Insurance Agency of Yavapai, Inc. (hereinafter called the "Title Agency"), SunCor Development Company and StoneRidge Prescott Valley L.L.C. (hereinafter together called "SunCor") entered into a "development agreement" to specify, among other things, conditions, terms, restrictions and requirements for "public infrastructure" (as such term is defined in the Act) for a residential development within the boundaries of the District (hereinafter referred to as "StoneRidge"), and the financing of such public infrastructure and subsequent reimbursements or repayments over time.

c. With regard to StoneRidge, the Municipality, the District, the Title Agency, and SunCor determined to specify some of such matters in a second agreement, particularly matters relating to the acquisition of the public infrastructure by the District, acceptance thereof by the Municipality, 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 (all pursuant to the Act).

d. Pursuant to the Act and Title 11, Chapter 7, Article 3, Arizona Revised Statutes, as amended, this second agreement could also be 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.

e. Pursuant to Resolution No. 1058, 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 "Development Agreement"), was approved by and among the Municipality, the District, the Title Agency, and SunCor.

f. Pursuant to the Act, an election was held on November 13, 2001 which authorized issuance of up to \$33,000,000.00 in general obligation bonds to construct needed public improvements for StoneRidge.

g. Based on a plan for the initial phase of StoneRidge dated November 9, 2001 (hereinafter referred to as the "Feasibility Report"), the District Board adopted its Resolution No. 3 on November 20, 2001 which authorized issuance of \$14,800,000.00 in bonds (hereinafter referred to as the "2001 Bonds").

h. Pursuant to the Development Agreement, SunCor and the 2001 Bonds trustee entered into agreements to make semi-annual standby contributions to supplement ad valorem tax collections from StoneRidge property owners 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").

i. In accordance with the Development Agreement, SunCor constructed certain public improvements for the initial phase of StoneRidge in accordance with the Feasibility Report, and said public improvements were subsequently purchased by the District using 2001 Bonds proceeds and then conveyed to the Municipality.

j. After several years of success with StoneRidge (wherein SunCor faithfully made its standby contributions under the Contribution Agreements), the economic downturn ultimately led to efforts by SunCor (beginning in 2009) to end its obligations as the StoneRidge developer, ultimately resulting in an assignment of its interests in the Development Agreement and the Contribution Agreements (approved by the SRCFD Board and Town Council on August 18, 2011) to Uninvest-StoneRidge, LLC and Uninvest-StoneRidge Golf, LLC (hereinafter jointly referred to as "Uninvest").

k. SunCor then 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).

l. 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 Uninvest

over and above its previous standby contributions under the Contribution Agreements).

m. The underwriter for the 2001 Bonds proposes 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).

n. As a result, the parties to the Development Agreement desire now to revise and restate said agreement to remove the requirements for Contribution Agreements and remove any reference to issuance of future District bonds for StoneRidge (said revised and restated agreement hereafter referred to as the "Restated Development Agreement").

2. Authorization and Approval of Restated Development Agreement. The Restated Development Agreement is hereby approved in substantially the form submitted herewith, with such changes, additions, deletions, insertions and omissions, if any, as the Mayor of the Municipality, with the advice of the Manager of the Municipality and the Town Attorney of the Municipality, 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 Mayor of the Municipality, with the advice of the Manager of the Municipality and the Town Attorney of the Municipality, is hereby authorized and directed to execute and deliver, and the Clerk of the Municipality to attest, the Restated Development Agreement on behalf of the Municipality.

3. No Liability of or for the Municipality. Neither the Municipality nor the State of Arizona or any political subdivision of either (other than the District) shall be directly, indirectly or morally liable or obligated for the costs of the public infrastructure contemplated by the Restated Development Agreement nor for the payment or repayment of any indebtedness, liability, cost, expense or obligation of the District, and neither the credit nor the taxing power of the Municipality, the State of Arizona or any political subdivision of either (other than the District) shall be pledged therefor.

4. Severability; Inconsistencies. a. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any remaining provisions of this Resolution.

b. All resolutions or parts thereof inconsistent herewith are hereby waived to the extent only of such inconsistency.

5. Emergency Clause. The immediate operation of the provisions of this Resolution is necessary to the orderly development of property within the Municipality and the resulting preservation of the public peace, health and safety. Therefore, an EMERGENCY is hereby declared to exist. This Resolution shall be in full force and effect from and after its passage, adoption and approval by us, as required by law, and is hereby exempted from the referendum provision of the constitution and laws of the State of Arizona pursuant to Section 19 142(B), Arizona Revised Statutes, as amended, and the Town Code of the Municipality.

PASSED by the Mayor and Common Council of the Town of Prescott Valley, Arizona, this 23rd day of May, 2013.

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Mayor, Town of Prescott Valley,
Arizona

ATTEST:

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Town Clerk, Town of Prescott
Valley, Arizona

APPROVED AS TO FORM:

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Town Attorney, Town of
Prescott Valley, Arizona

REVIEWED BY:

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Town Manager, Town of Prescott
Valley, Arizona