

RESOLUTION NO.32

(STONERIDGE COMMUNITY FACILITIES DISTRICT)

A RESOLUTION OF THE DISTRICT BOARD OF THE STONERIDGE COMMUNITY FACILITIES DISTRICT, AN ARIZONA COMMUNITY FACILITIES DISTRICT, ORDERING AND CALLING AN ELECTION TO DETERMINE WHETHER OR NOT TO RESCIND UNISSUED AUTHORIZATION TO ISSUE BONDS OF THE DISTRICT AT A PREVIOUS ELECTION HELD ON NOVEMBER 13, 2001; AND PROVIDING THAT THIS RESOLUTION SHALL BE EFFECTIVE AFTER ITS PASSAGE AND APPROVAL ACCORDING TO LAW.

BE IT RESOLVED BY THE DISTRICT BOARD OF THE STONERIDGE COMMUNITY FACILITIES DISTRICT as follows:

1. Findings.

a. On July 26, 2001, pursuant to Resolution No. 1031, but at a time prior thereto, the Mayor and Common Council of the Town of Prescott Valley, Arizona (hereinafter called the "Municipality"), adopted Resolution No. 1031 which, among other things, ordered and declared formation of the StoneRidge Community Facilities District (hereinafter called the "District").

b. The District is a special purpose district for purposes of Article IX, Section 19, Constitution of Arizona, a tax levying public improvement district for the purposes of Article XIII, Section 7, Constitution of Arizona, and a municipal corporation for all purposes of Title 35, Chapter 3, Articles 3, 3.1., 3.2, 4 and 5, Arizona Revised Statutes and, except as otherwise provided in Section 48-708(B), Arizona Revised Statutes, is considered to be a municipal corporation and political subdivision of the State of Arizona (hereinafter referred to as the "State), separate and apart from the Municipality.

c. There was filed with the Clerk of the Municipality the "general plan" for the District, which sets out a general description of the public infrastructure improvements for which the District was formed and the general areas to be improved (hereinafter referred to as the "General Plan").

d. The District is authorized (1) by Section 48-719, Arizona Revised Statutes to sell and issue general obligation bonds of the District to provide moneys for public infrastructure purposes consistent with the General Plan and (2) by Subsection 48-709(F), Arizona Revised Statutes to repay all or part of fees and charges collected from landowners for public infrastructure purposes, the advance of moneys by landowners for public infrastructure purposes or the granting of real property by the landowner for public infrastructure purposes from the proceeds of such bonds pursuant to agreements entered into with landowners and the Municipality pursuant to Subsection 48-709(A)(10), Arizona Revised Statutes.

e. Such bonds may not be issued and such tax may not be levied unless approved at an election ordered and called to submit to the qualified electors of the District or to those persons who are qualified to vote pursuant to Subsection 48-707(G), Arizona Revised Statutes (being, if no person has registered to vote within the District within fifty (50) days immediately preceding any scheduled election date, the owners of land within the District who are qualified electors of the State and other landowners according to Section 48-3043, Arizona Revised Statutes), the question of authoriz-

ing the District Board to issue such bonds for such purposes (hereinafter referred to as the "Bonds").

f. The District Board deemed it necessary and advisable to order and call such an election and to establish the procedures whereby such election should be held and did so pursuant to Resolution No. 1 adopted on October 4, 2001 (hereinafter referred to as the "Election Resolution"), which provided that a special election be held on November 13, 2001 (hereinafter referred to as the "First Election"), at which time there was submitted to the qualified electors of the District the questions set forth in the official ballot described in the Election Resolution.

g. The election board for the Election filed with the District Board its returns of election and the ballots cast at the polling place, and the District Board canvassed the returns of the First Election and determined (1) that a total of one (1) ballot had been cast in response to the questions submitted, that in answer to the question submitted relating to the Bonds such ballot was marked "Bonds, Yes" and no ballots were marked "Bonds, No" with respect to the issuance of the Bonds; (2) that the First Election had been conducted and the returns thereof made as required by law, and (3) that only qualified electors were permitted to vote at the First Election.

h. After careful examination of the official returns of the First Election, the District Board found and determined pursuant to Resolution No. 2 adopted on November 15, 2001, (hereinafter referred to as the "Canvass Resolution") as follows:

1. That a majority of the votes cast by the qualified electors voting at the First Election voted "Bonds, Yes" in response to the following question:

SHALL THE DISTRICT BOARD (THE "BOARD") OF STONERIDGE COMMUNITY FACILITIES DISTRICT (THE "DISTRICT") BE AUTHORIZED TO ISSUE GENERAL OBLIGATION BONDS OF THE DISTRICT, IN THE DENOMINATION OF THE BONDS, THE SIZE OF EACH ISSUE AND THE FORM OF THE BONDS PRESCRIBED, AND HAVING THE MATURITIES (NOT EXCEEDING TWENTY-FIVE (25) YEARS), INTEREST PAYMENT DATES AND INTEREST RATES, WHETHER FIXED OR VARIABLE, NOT EXCEEDING TWELVE PERCENT (12%) PER ANNUM, ESTABLISHED, BY THE BOARD AND CONTAINING SUCH TERMS, CONDITIONS, COVENANTS AND AGREEMENTS AS THE BOARD DEEMS PROPER, IN THE MAXIMUM AMOUNT OF THIRTY-THREE MILLION DOLLARS (\$33,000,000) TO PROVIDE MONEYS (A) (1) FOR PLANNING, DESIGN, ENGINEERING, CONSTRUCTION, ACQUISITION OR INSTALLATION OF ANY OR ALL OF THE FOLLOWING IMPROVEMENTS, INCLUDING NECESSARY OR INCIDENTAL WORK, WHETHER NEWLY CONSTRUCTED, RENOVATED OR EXISTING, AND ALL NECESSARY OR DESIRABLE APPURTENANCES ("PUBLIC INFRASTRUCTURE"): (a) SANITARY SEWAGE SYSTEMS, INCLUDING COLLECTION, TRANSPORT, STORAGE, TREATMENT, DISPERSAL, EFFLUENT USE AND DISCHARGE, (b) DRAINAGE AND FLOOD CONTROL SYSTEMS, INCLUDING COLLECTION, TRANSPORT, DIVERSION, STORAGE, DETENTION, RETENTION, DISPERSAL, USE AND DISCHARGE, (c) WATER SYSTEMS FOR DOMESTIC, INDUSTRIAL, IRRIGATION, MUNICIPAL OR FIRE PROTECTION PURPOSES INCLUDING PRODUCTION, COLLECTION, STORAGE, TREATMENT, TRANSPORT, DELIVERY, CONNECTION AND DISPERSAL, BUT NOT INCLUDING FACILITIES FOR AGRICULTURAL IRRIGATION PURPOSES UNLESS FOR THE REPAIR OR REPLACEMENT OF EXISTING FACILITIES WHEN REQUIRED BY OTHER IMPROVEMENTS DESCRIBED HEREIN, (d) HIGHWAYS, STREETS, ROADWAYS AND PARKING FACILITIES INCLUDING ALL AREAS FOR VEHICULAR USE FOR TRAVEL, INGRESS AND EGRESS, (e) AREAS FOR PEDESTRIAN, EQUESTRIAN, BICYCLE OR OTHER NON-MOTOR VEHICLE USE FOR TRAVEL, INGRESS, EGRESS AND PARKING, (f) PEDESTRIAN MALLS, PARKS, RECREATIONAL FACILITIES, AND OPEN SPACE AREAS FOR THE USE OF MEMBERS OF THE PUBLIC FOR ENTERTAINMENT, ASSEMBLY AND RECREATION, (g) LANDSCAPING INCLUDING EARTHWORKS, STRUCTURES, LAKES AND OTHER WATER FEATURES, PLANTS, TREES AND RELATED WATER DELIVERY SYSTEMS, (h) PUBLIC BUILDINGS, PUBLIC

SAFETY FACILITIES AND FIRE PROTECTION FACILITIES, (i) LIGHTING SYSTEMS, (j) TRAFFIC CONTROL SYSTEMS AND DEVICES INCLUDING SIGNALS, CONTROLS, MARKINGS AND SIGNAGE, (k) SCHOOL SITES AND FACILITIES AND (1) EQUIPMENT, VEHICLES, FURNISHINGS AND OTHER PERSONALTY RELATED TO ANY OF THE FOREGOING; (2) ACQUIRING, CONVERTING, RENOVATING OR IMPROVING EXISTING FACILITIES FOR PUBLIC INFRASTRUCTURE; (3) ACQUIRING INTERESTS IN REAL PROPERTY FOR PUBLIC INFRASTRUCTURE; (4) ESTABLISHING, MAINTAINING AND REPLENISHING RESERVES FROM ANY SOURCE IN ORDER TO SECURE PAYMENT OF DEBT SERVICE ON BONDS; (5) FUNDING AND PAYING FROM BOND PROCEEDS INTEREST ACCRUING ON BONDS FOR A PERIOD OF NOT TO EXCEED THREE (3) YEARS FROM THEIR DATE OF ISSUANCE; (6) PROVIDING FOR THE TIMELY PAYMENT OF DEBT SERVICE ON BONDS OR OTHER INDEBTEDNESS OF THE DISTRICT; (7) REFINANCING ANY MATURED OR UNMATURED BONDS, WITH NEW BONDS; AND (8) EXPENSES OF THE DISTRICT INCIDENT TO AND REASONABLY NECESSARY TO CARRY OUT THE PURPOSES SPECIFIED IN THIS PARAGRAPH (CLAUSES (1) THROUGH (8), BOTH INCLUSIVE, BEING "PUBLIC INFRASTRUCTURE PURPOSES") AND (B) FOR REPAYING ALL OR PART OF FEES OR CHARGES COLLECTED FROM LANDOWNERS FOR PUBLIC INFRASTRUCTURE PURPOSES, THE ADVANCE OF MONEYS BY LANDOWNERS FOR PUBLIC INFRASTRUCTURE PURPOSES OR THE GRANTING OF REAL PROPERTY BY THE LANDOWNER FOR PUBLIC INFRASTRUCTURE PURPOSES PURSUANT TO AGREEMENTS ENTERED INTO WITH LANDOWNERS AND THE TOWN OF PRESCOTT VALLEY, ARIZONA, PURSUANT TO SECTION 48-709 (A) (10), ARIZONA REVISED STATUTES, AS AMENDED, AND IN AN AMOUNT NOT IN EXCESS OF ONE AND ONE-HALF (1½) TIMES THE AMOUNT OF BONDS PREVIOUSLY ISSUED BY THE DISTRICT FOR THE PURPOSE OF REFUNDING ANY BONDS ISSUED BY THE DISTRICT FOR EITHER OF THE FOREGOING PURPOSES, PAYABLE FROM AN AD VALOREM TAX LEVIED AND COLLECTED ANNUALLY ON ALL TAXABLE PROPERTY IN THE DISTRICT, SUFFICIENT TO PAY DEBT SERVICE ON SUCH BONDS WHEN DUE, AS AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF ARIZONA, INCLUDING PARTICULARLY (BUT NOT BY WAY OF LIMITATION) TITLE 48, CHAPTER 4, ARTICLE 6, ARIZONA REVISED STATUTES, TOGETHER WITH ALL AMENDMENTS AND ADDITIONS THERETO?;

2. That up to and including \$33,000,000 aggregate principal amount of general obligation bonds (hereinafter referred to as the "Authorization") are therefore authorized to be sold and issued;

3. That the Chairman of the District Board should execute, and the District Clerk should attest, the "Certificate of Results of Election" attached to the Canvass Resolution; and

4. That the District Clerk was directed to cause to be recorded the "Certificate of Results of Election" in the Office of the County Recorder of Yavapai County, Arizona, to return said copy with the recording date shown therein to the official records of the District, and to cause to be provided a copy thereof to the State Real Estate Department.

i. Pursuant to Section 48-715, Arizona Revised Statutes, the District Board caused a report of the feasibility and benefits of the projects relating to certain public infrastructure provided for in the General Plan and to be financed with proceeds of the sale of the first series of the Bonds (hereinafter referred to as the "First Series of Bonds") to be prepared, such report having included a description of certain public infrastructure to be acquired and all other information useful to understand the projects, a map showing (in general) the location of the projects, an estimate of the cost to construct, acquire, operate and maintain the projects, an estimated schedule for completion of the projects, a map or description of the area to be benefitted by the projects, and a plan for financing the projects (hereinafter referred to as the "Report"). A public hearing on the Report was held after provision for publication of notice thereof as provided by law.

j. Pursuant to Resolution No. 3 adopted on November 20, 2001, the District Board (1) authorized the issuance of the First

Series of Bonds to provide funds for any and all of the public infrastructure purposes provided for by the Act to the extent authorized in the First Election, and (2) entered in its minutes a record of the First Series of Bonds sold and their numbers and dates, and (3) authorized the annual levy of an *ad valorem* tax to 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 to pay debt service when due.

k. \$14,800,000 in principal of the Authorization was issued as the First Series of Bonds.

l. Pursuant to Resolution No. 30 adopted on May 23, 2013, the District Board found and determined that it was expedient to refund all of the First Series of Bonds remaining outstanding and that the issuance of refunding bonds by the District and the application of the net proceeds thereof to pay at maturity or earlier redemption the Bonds Being Refunded were necessary and advisable and in the best interests of the District.

m. \$8,540,000 in principal amount of such refunding bonds was issued, resulting in the defeasance of the remaining outstanding bonds of the First Series of Bonds.

n. Such resolution also provided that, to the extent not otherwise permitted by applicable law from resolving not to do so, no additional bonds would be issued based on the Authorization.

o. The District Board now deems it necessary and advisable to order and call an election and to establish the procedures whereby such election should be held to rescind the

unissued portion of the remaining Authority to issue bonds (hereinafter referred to as the "Second Election").

2. a. Order and Call of Second Election. The Second Election is hereby ordered and called to be held on April 8, 2014, at which time there shall be submitted to those who will be qualified electors of the District the question with respect to rescinding the unissued portion of the remaining Authority to issue bonds as set forth in the official ballot described in Subsection 2(c) of this Resolution.

b. Posting and Publishing of Matters Relating to the Second Election. The Second Election shall be called by posting notices in three (3) public places within the proposed boundaries of the District not less than twenty (20) days before the date of the Second Election in substantially the form hereto attached and marked Exhibit "A". Notice shall also be published in the *Prescott Courier*, a newspaper of general circulation in the Municipality, once a week for two (2) consecutive weeks before the Second Election in substantially the form hereto attached and marked Exhibit "A".

c. Form of Ballot. The official ballot for the Second Election shall be in substantially the form hereto attached and marked Exhibit "B".

d. Polling Place. The polling place and the time the polls shall be opened and closed shall be as provided in Exhibit "B".

e. Actions By District Clerk. The District Clerk is hereby authorized and directed to have prepared and delivered to the

election officers at such polling places such ballots to be by them furnished to the qualified electors of the District offering to vote at the Second Election, in substantially the form as hereto attached and marked Exhibit "B". The Second Election may be conducted using either electromechanical or electronic vote recording and ballot counting equipment or paper ballots, as shall be determined to be in the best interests of the District by the District Clerk. The District Clerk is authorized and directed to enter into a contract with the County Recorder of Yavapai County, Arizona, to obtain precinct registers for the Second Election and to enter into an agreement with the firm of Bill Doyle to conduct the Second Election. The District Clerk is hereby further authorized to take all other actions to facilitate the Second Election. All expenditures as may be necessary to order, notice, hold and administer the Second Election are hereby authorized, which expenditures shall be paid from current operating funds of the District.

f. Applicable Law. The Second Election shall be held, conducted and canvassed in conformity with the provisions of the general election laws of the State, except as otherwise provided by law, and only such persons shall be permitted to vote at the Second Election who are the qualified electors. Absentee/ early voting shall be permitted in accordance with the provisions of Title 16, Chapter 4, Article 8, Arizona Revised Statutes.

g. Canvassing. Within fourteen (14) days after the date of the Second Election, the District Board shall meet and canvass the returns.

3. No Liability of or for the Municipality. Neither the Municipality nor the State or any political subdivision of either (other than the District) shall be directly, indirectly or morally liable or obligated for the payment or repayment of any indebtedness, liability, cost, expense or obligation of the District.

4. Severability; Amendment. 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 of the remaining provisions of this Resolution.

5. Effective Date.

This Resolution shall be effective upon its passage and approval according to law.

PASSED by the District Board of the StoneRidge Community  
Facilities District this 27th day of February, 2014.

.....  
Chairperson, District Board,  
StoneRidge Community Facilities  
District

ATTEST:

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

APPROVED AS TO FORM:

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

ATTACHMENT:

EXHIBIT "A" -- Form of Notice of Election  
EXHIBIT "B" -- Form of Official Ballot

\* \* \*

**EXHIBIT "A"**

**FORM OF NOTICE OF ELECTION**

TO THE QUALIFIED ELECTORS OF THE STONERIDGE COMMUNITY FACILITIES DISTRICT (THE "DISTRICT"):

A special election to establish certain matters will be held on April 8, 2014, at the following precinct's polling place:

<u>Precinct</u>	<u>Polling Place</u>
#215 Buck	StoneRidge Community Center 1300 N. StoneRidge Drive

Precinct registers may contain the names of all registered voters in the precinct, and the election boards at those precincts shall require a prospective elector to execute an affidavit stating that the elector is a qualified elector of the District.

The polling places will open at 8:00 a.m. and close at 2:00 p.m.

The purpose of the election is to permit those who would be the qualified electors of the District to vote on the following question:

SHALL THE REMAINING UNISSUED AUTHORIZATION TO  
ISSUE BONDS (ORIGINALLY AUTHORIZED IN THE AMOUNT  
OF \$33,000,000 ON NOVEMBER 13, 2001) BE  
RESCINDED?

Absentee/early voting shall be permitted in accordance with the provisions of Title 16, Chapter 4, Article 8, Arizona Revised Statutes. Absentee/early voting information may be obtained by contacting the office of the District Clerk, 7501 East Civic Circle, Prescott Valley, Arizona 86314, telephone number: (928) 759-3135.

**EXHIBIT "B"**

**FORM OF OFFICIAL BALLOT**

OFFICIAL BALLOT  
SPECIAL ELECTION  
STONERIDGE COMMUNITY FACILITIES DISTRICT  
\_\_\_\_\_, 2014

SHALL THE REMAINING UNISSUED AUTHORIZATION TO  
ISSUE BONDS (ORIGINALLY AUTHORIZED IN THE AMOUNT  
OF \$33,000,000 ON NOVEMBER 13, 2001) BE  
RESCINDED?

Place an "X" in the box beside the way you wish to vote.

RESCIND  
UNISSUED  
AUTHORIZATION,  
YES

RESCIND  
UNISSUED  
AUTHORIZATION,  
NO