

RESOLUTION NO.25__

(STONERIDGE COMMUNITY FACILITIES DISTRICT)

A RESOLUTION OF THE DISTRICT BOARD OF THE STONERIDGE COMMUNITY FACILITIES DISTRICT ACCEPTING CONVEYANCE OF CERTAIN REAL PROPERTY; APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE AGREEMENT FOR SAID PROPERTY; 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, the Council of the Town of Prescott Valley, Arizona ("Municipality"), by its Resolution No. 1031, ordered and declared formation of the StoneRidge Community Facilities District pursuant to Arizona Revised Statutes (A.R.S.) §48-701 et seq. ("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 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, A.R.S. (except as otherwise provided in A.R.S. §48-708(B)), separate and apart from the Municipality.

c. A "general plan" for the District was filed with the Clerk of the Municipality which sets out a general description of the public infrastructure improvements for which the District was

formed and the area to be improved ("General Plan"). The General Plan was later approved by the District Board on October 4, 2001, by its Resolution No. 1.

d. The District and the Municipality subsequently entered into a District Development, Financing Participation and Intergovernmental Agreement (StoneRidge Community Facilities District) dated November 1, 2001 ("Agreement") with StoneRidge - Prescott Valley L.L.C., an Arizona limited liability company ("Owner"), and SunCor Development Company, an Arizona corporation ("SunCor"), among others, to finance construction of the public infrastructure improvements listed in the General Plan for purposes of developing a residential subdivision known as "StoneRidge".

e. The District is authorized by A.R.S. §§ 48-709(F) and 48-719 to issue and sell general obligation bonds of the District to provide moneys for public infrastructure purposes consistent with the General Plan. Therefore, on November 20, 2001, the District Board by its Resolution No. 3 authorized sale of District General Obligation Bonds, Series 2001, in the aggregate principal amount of \$14,800,000.00 ("Bonds") to finance construction of public infrastructure improvements for StoneRidge.

f. A.R.S. §48-709(A) authorizes the District, in furtherance of the General Plan, to accept grants of real property and lease or otherwise dispose of said property if the lease or conveyance is not a violation of the terms of any contract or bond resolution of the District.

g. Owner and SunCor formed a related entity known as StoneRidge Commercial, L.L.C., an Arizona limited liability company ("SRCLLC") to hold title to a community center for StoneRidge ("Community Center"). Recently, in partial consideration for a determination by the District Manager in relation to a requirement in certain Bond documents, Owner and SunCor agreed to cause SRCLLC to convey the Community Center to the District to enable the District to collect rent thereon and irrevocably deposit said rent into a Series 2001 Tax Account described in a Series 2001 Indenture of Trust and Securities Agreement dated December 1, 2001 related to the Bonds ("Tax Account"), to be used exclusively towards payment of the Bonds. The conveyance from SRCLLC would be by special warranty deed ("Deed") which initially transferred a fee simple determinable interest to the District and a future fee simple interest to StoneRidge at Prescott Valley Community Association, an Arizona non-profit corporation ("Tenant"). The future interest would revert to Tenant upon final payment of the Bonds. In the interim, Tenant would lease the Community Center from the District under an agreement that provides for exclusive use and management of the Community Center by Tenant so long as Tenant timely pays specified rent to the District ("Lease Agreement"). This arrangement is expressly intended by all parties thereto not to modify or conflict in any fashion with the obligations of the District, the Owner, SunCor, or any other persons or entities with regard to the Bonds or any related Bond documents.

h. The Deed has been placed on file with the District Clerk and presented to the District Board (Attachment A

hereto), along with the Lease Agreement (Attachment B hereto) for consideration of and adoption by the District Board.

2. Acceptance of Deed. The Deed and the conveyance accomplished thereby are hereby accepted by the District Board and may be so noted by the District Chairperson or, in the absence thereof, the District Vice Chairperson.

3. Approval of Lease Agreement. The Lease Agreement is hereby approved. The District Chairperson or, in the absence thereof, the District Vice Chairperson, is hereby authorized and directed to execute, and the District Clerk to attest, the Lease Agreement on behalf of the District.

4. 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 payment or repayment of any indebtedness, liability, cost, expense or obligation of the District (including any arising because of the Lease Agreement), 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.

5. Severability; Amendment.

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 of the remaining provisions of this Resolution.

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

6. Effective Date.

This Resolution shall be effective upon its passage and approval.

PASSED and APPROVED by the District Board of the StoneRidge Community Facilities District this ____ day of _____, 2011.

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

ATTEST:

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

APPROVED AS TO FORM:

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

- ATTACHMENTS: A. Special Warranty Deed
 B. Community Center Lease, StoneRidge

ATTACHMENT A

SPECIAL WARRANTY DEED

ATTACHMENT B

**COMMUNITY CENTER LEASE
STONERIDGE**