

**COMMUNITY CENTER LEASE  
(STONERIDGE)**

This Community Center Lease (the "Lease") dated to be effective as of the Effective Date (as defined below), is made and entered into by and between STONERIDGE COMMUNITY FACILITIES DISTRICT, a community facilities district duly organized and validly existing pursuant to the laws of the State of Arizona ("Landlord"), and STONERIDGE AT PRESCOTT VALLEY COMMUNITY ASSOCIATION, an Arizona non-profit corporation ("Tenant").

**RECITALS**

A. StoneRidge Commercial, L.L.C., an Arizona limited liability company ("SRCLLC"), has agreed to transfer a fee simple determinable to the Landlord, and a future fee simple interest to the Tenant, in certain real property ("Real Property") legally described in the Special Warranty Deed ("Deed") attached as **EXHIBIT 1** hereto.

B. Landlord and Tenant have agreed to enter into this Lease subject to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Defined Terms. In addition to the terms defined in the Recitals hereto, as used in this Lease, the following terms have the following meanings:

"Bonds" shall mean all outstanding General Obligation Bonds, Series 2001, in the aggregate principal amount of \$14,800,000, previously issued by Landlord for public infrastructure purposes.

"Effective Date" shall mean the date of recordation of the Deed in the Official Records.

"Indenture" shall mean Series 2001 Indenture of Trust and Security Agreement dated December 1, 2001, from the Landlord, as Issuer, to Wells Fargo Bank Arizona, N.A., as trustee.

"Laws" shall mean all applicable present and future federal, state, municipal, governmental agency or quasi-governmental agency statutes, charters, laws, codes, rules, rulings, ordinances, and/or regulations.

"Leased Premises" shall mean the Real Property conveyed to Landlord under, and legally described in, the Deed, including all improvements located thereon.

“Official Records” shall mean the official records of Yavapai County, Arizona.

“Sublease” means any lease, sublease, license or other agreement by which Tenant leases, subleases, licenses or sublicenses to or permits the use or occupancy by another person or entity of any part of the Leased Premises.

“Taking” shall mean a taking of all or any portion of the Leased Premises for any public use or purpose by the exercise of the power of eminent domain.

“Tax Account” shall mean the Series 2001 Tax Account as defined in the Indenture.

“Transfer” shall mean (1) with respect to Tenant, any sale, lease, assignment, mortgage, deed of trust, transfer or conveyance of all or any part of Tenant’s interest in this Lease or the Leased Premises (including, without limitation, Tenant’s interest in the Real Property arising under the Deed), whether by operation of law, attachment or assignment for the benefit of creditors or otherwise, except a Sublease or Taking; and (2) with respect to Landlord, any sale, lease, assignment, mortgage, deed of trust, transfer or conveyance of all or any part of the Landlord’s interest in this Lease or the Leased Premises (including, without limitation, Landlord’s interest in the Real Property arising under the Deed), whether by operation of law, attachment or assignment for the benefit of creditors or otherwise, except a Taking.

2. Lease of Leased Premises. On the terms and conditions contained herein, Landlord hereby leases the Leased Premises to Tenant, and Tenant hereby leases the Leased Premises from Landlord.

3. Term. The term (“Term”) of this Lease, and Tenant's obligation to pay rent hereunder, shall commence on the Effective Date. The Term of this Lease shall end on the first day following the date that no portion of the Bonds remains outstanding. Notwithstanding any provision in this Lease, Landlord and Tenant agree that fee simple title shall not be transferred to Tenant under the Deed until the date that no portion of the Bonds remains outstanding. Within sixty (60) days after the end of the Term, Landlord and Tenant shall execute and record in the Official Records a “Notice of End of Term of Lease” in the form attached as **EXHIBIT 2** hereto.

4. Rent. Tenant agrees to pay rent to Landlord, as follows: (1) annual base rent in the amount of \$168,609.00 per year (“Base Rent”), payable in equal monthly installments in arrears on the first day of each month during the Term; and (2) as additional rent, all other amounts required to be paid by Tenant to Landlord under the terms of this Lease. Landlord acknowledges Landlord’s irrevocable obligation to deposit all Base Rent received by Landlord under this Lease into the Tax Account on a quarterly basis (after applying amounts received from Tenant to any outstanding additional rent owed hereunder, to ensure that Landlord remains free from any expense in connection with this Lease). If any payment received from Tenant is applied to outstanding additional rent, then Landlord shall deposit any shortfall in Base Rent subsequently received from Tenant into the Tax Account.

5. Intent Regarding Rent Payments to Landlord; Net Lease. Landlord and Tenant acknowledge and agree that SRCLLC has executed the Deed to enable Landlord to collect rent hereunder and deposit such rent in the Tax Account during the Term. Landlord and Tenant agree that this Lease is a net lease and Tenant acknowledges, understands and agrees that the Base Rent shall be completely net to Landlord and that Tenant shall be responsible for the payment of all costs and expenses incurred during the Term in connection with the ownership, use, occupancy, maintenance and repair of the Leased Premises. Except as otherwise expressly provided herein, any present or future law to the contrary notwithstanding, (i) this Lease shall not terminate and Tenant waives all rights (except as otherwise expressly provided herein) to terminate or surrender this Lease prior to the end of the Term, (ii) nor shall Tenant be entitled to, and Tenant waives all rights to, any abatement, deferral, reduction, set off, counterclaim, defense or deduction with respect to any Base Rent or other sums payable hereunder, (iii) nor shall the obligations of Tenant hereunder be affected, by reason of: any damage to or destruction of all or any portion of the Leased Premises; any prohibition, limitation, restriction or prevention of Tenant's use, occupancy or enjoyment of the Leased Premises, or any interference with such use, occupancy or enjoyment by any person.

6. Rental Taxes. Landlord and Tenant expect that the rent paid under this Lease will not be subject to any excise, sales, occupancy, privilege, rental or transaction privilege tax levied by any governmental authority upon Landlord ("Rental Tax"); provided however, that if any such Rental Tax must be paid by Landlord, then Tenant agrees to pay to Landlord the amount of such Rental Tax as additional rent, payable with Base Rent.

7. Property Tax. Landlord and Tenant expect that the Real Property will not be subject to real property taxes generally levied, assessed or imposed against real property in Yavapai County, Arizona ("Property Tax") while owned by Landlord. If any Property Tax is assessed against the Real Property during the Term of the Lease, Tenant agrees to pay to Landlord the amount of such Property Tax as additional rent, payable in monthly installments based on the estimated amount of such Property Tax together with Base Rent, but in any event not later than thirty (30) days prior to the due date for payment of such Property Tax.

8. Maintenance of Leased Premises. Tenant agrees to assume full responsibility for the operation and maintenance of the Leased Premises and all fixtures and furnishings of the Tenant therein, and all sidewalks and all landscaping within the Leased Premises, throughout the Term of this Lease without expense to Landlord, and to perform all repairs and replacements necessary to maintain and preserve the Leased Premises and such fixtures and furnishings and landscaping in a decent, safe and sanitary condition in compliance with all applicable Laws. If Tenant fails to comply with maintenance obligations required under any Laws, Landlord, at Landlord's election, may make such repairs and Tenant shall pay Landlord the cost of such repairs as additional rent. If there has been an event of

default by Tenant under this Lease that has resulted in Landlord taking possession of the Leased Premises, Tenant's obligations to perform under this paragraph shall be suspended except for the obligation to pay additional rent for the cost of any such maintenance obligations incurred by Landlord.

9. Obligations Under Easements. Tenant agrees to assume full responsibility for compliance with all monetary and non-monetary obligations under any easements affecting the Real Property, including, without limitation, the obligations under an Access and Parking Easement and Maintenance Agreement entered into by SRCLLC prior to recordation of the Deed, throughout the Term of this Lease without expense to Landlord. If Tenant fails to comply with any maintenance obligations required under any easement, Landlord, at Landlord's election, may make such repairs and Tenant shall pay Landlord the cost of such repairs as additional rent. If there has been an event of default by Tenant under this Lease that has resulted in Landlord taking possession of the Leased Premises, Tenant's obligations to perform under this paragraph shall be suspended except for the obligation to pay additional rent for the cost of any such maintenance obligations incurred by Landlord.

10. Condition of Leased Premises. Tenant represents to Landlord that prior to the Effective Date of this Lease, Tenant has been in possession of most of the Leased Premises under a lease from SRCLLC, and Tenant is aware of the current condition of the Leased Premises. Tenant acknowledges and agrees to the following: (i) Tenant shall be responsible for making its own inspection, investigation and analysis of the Leased Premises; (ii) Tenant shall be responsible for investigating and establishing the suitability of the Leased Premises for Tenant's use thereof, and all zoning and regulatory matters pertinent thereto; and (iii) Tenant is leasing the Leased Premises in strictly an "**AS IS**" condition based on its own inspection and investigation and not in reliance on any statement, representation, inducement or agreement of Landlord.

11. Use; Sublease. Tenant shall use the Leased Premises only for uses permitted by applicable Laws. Tenant shall comply with all Laws in Tenant's use of the Leased Premises. Tenant is authorized to enter into any Sublease of the Leased Premises so long as such Sublease requires compliance with applicable Laws and any applicable terms of this Lease.

12. Environmental Hazards. Tenant agrees that it has not used, and will not use or allow the Leased Premises to be used for the storage, use, discharge, production, release, treatment or disposal of any "hazardous substance", as that term is defined under either the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. 9601, *et seq.*, as amended from time to time) or any other federal, state or local environmental Laws now or hereafter existing (the "Environmental Laws"), in violation of any Environmental Laws. Tenant shall otherwise comply at all times with all Environmental Laws and require that all Subleases mandate compliance with Environmental Laws. Tenant shall immediately

notify Landlord of any hazardous substance on or about the Leased Premises (and shall promptly remediate the same at its expense in compliance with all Environmental Laws), any investigation by any governmental authority regarding the violation of any Environmental Law, and any claims by third parties against Tenant relating to the violation of any Environmental Law regarding the Leased Premises. Tenant shall also be responsible to use at all times commercially reasonable efforts to keep airborne concentrations of spores, other bi-products of toxic or hazardous molds and other biota at levels that are not injurious to the majority of humans (including removal of mold if necessary to achieve such levels), and shall be responsible in any event for all liabilities, claims, costs, fees, and expenses arising from the foregoing, and/or the business operations of Tenant, or the acts or omissions of Tenant, its agents, employees, members, or contractors, with respect to mold, spores, and other biota.

13. Prohibited Transfers. The Tenant shall not make any Transfer during the Term without the prior written consent of Landlord. So long as there has not been an event of default by Tenant under this Lease that has resulted in Landlord taking possession of the Leased Premises, the Landlord shall not make any Transfer during the Term without the prior written consent of Tenant. Any Transfer by Landlord after such an event of default by Tenant shall be made in the sole and absolute discretion of Landlord. If Landlord makes any allowed Transfer under this Lease, Landlord is obligated to deposit any net proceeds received by Landlord from such Transfer into the Tax Account. If Landlord makes any allowed Transfer under this Lease that results in an assignment of Landlord's rights under this Lease to a new landlord, the transferee shall be subject to Landlord's obligation to deposit all Base Rent received under the Lease into the Tax Account. Any attempted Transfer not permitted herein shall be void and shall confer no rights upon any third person.

14. No Public Dedication. Landlord has not publicly dedicated any part of the Leased Premises prior to the Effective Date, and this Lease is not intended to be a public dedication of any part of the Leased Premises.

15. Insurance. At all times during the Term of this Lease, the Tenant, at its sole cost and expense, shall maintain the following insurance:

14.1 Commercial comprehensive general liability insurance with a fire legal liability endorsement in the amount of \$500,000.00, providing coverage against claims for bodily injury, death, property damage, or fire damage liability occurring in, on or about the Leased Premises which policy shall name Landlord as an additional insured party. Such insurance shall be primary with respect to Landlord and shall be in the minimum amount of \$5,000,000.00 Combined Single Limit.

14.2 Insurance on an "All-Risk" basis providing coverage against damage and destruction to Tenant's property, and all improvements to the Leased Premises, which coverage shall be in the amount of full replacement

value. If such items are damaged or destroyed, Tenant shall bear all risk of loss with respect thereto. Tenant hereby waives as against Landlord any and all claims or demands whatsoever pertaining to damage, loss or injury caused by or resulting from fire or other perils, events or occurrences which are or could have been covered by such insurance.

14.3 "Dram Shop" insurance in an amount reasonably acceptable to Landlord if Tenant serves alcoholic beverages within the Leased Premises (subject to compliance in all respects with the requirements of Laws with regard to obtaining permits before allowing persons to consume alcohol on the Leased Premises).

14.4 All other insurance required to be maintained by Tenant under any Laws.

All insurance shall be effected under valid and enforceable policies issued by insurance companies rated not lower than "A" and in the Class XII Financial Size category in Best's Insurance Reports (current edition) and authorized to do business in the State of Arizona. Such policies shall be endorsed to indicate that Tenant's coverage shall not be invalid due to any act or omission by Landlord, and that such policies cover Tenant's indemnity obligations under this Lease up to the limits of such policies. The insurance companies issuing such insurance shall agree to notify Landlord in writing of any cancellation, alteration or non-renewal of said insurance at least thirty (30) days prior thereto. If Tenant fails to obtain the required insurance, Landlord shall have the right, at Landlord's election, to procure and maintain all or any portion of such insurance, and any premiums paid by the Landlord shall be due and payable by the Tenant to the Landlord on the first day of the month following the date on which the premiums were paid.

16. Tenant's Indemnification of Landlord. Tenant shall indemnify, defend and hold Landlord and its employees and agents harmless for, from and against any and all claims, judgments, damages (including consequential damages), penalties, fines, costs, liabilities or loss of any nature (including reasonable attorneys' fees, consultant fees, and expert fees) arising from (i) the Leased Premises, Tenant's use of the Leased Premises, or from the conduct of Tenant's business thereon or from any activity, work or things done, permitted or suffered by Tenant or its agents, employees, members, or contractors in or about the Leased Premises, including, without limitation, the use, operation, and supervision (or failure to do so) of the swimming pools, jacuzzis, and other water features, and/or (ii) any breach or default in the performance of any obligation or covenant on Tenant's part to be performed under the terms of this Lease, or arising from any negligence or willful misconduct of Tenant, its subtenants or licensees, and their respective agents, contractors, employees, members, and invitees; and from and against all costs, attorneys' fees, environmental consultants' fees, expenses and liabilities incurred in the defense of any such claim or any action or proceeding brought thereon. If any claim, action or proceeding is threatened or commenced against Landlord which is or may be

covered by the foregoing indemnity, Tenant, upon notice from Landlord, shall defend the same at Tenant's expense utilizing counsel reasonably acceptable to Landlord. All Tenant's indemnification obligations shall survive the termination of this Lease.

17. Changes, Alterations and Additions. Tenant shall not have the right to make any material change, alteration or addition to the Leased Premises without Landlord's prior written consent (which consent shall not be unreasonably withheld). Tenant shall not permit any mechanics' or material men's or other liens to stand against the Leased Premises for any labor or material furnished Tenant in connection with work of any character performed on said Leased Premises by or at the direction of Tenant.

18. Utilities. Tenant shall pay all amounts required to be paid for water, sewer, gas, fuel, electricity, and all other services of utility nature supplied to the Leased Premises on or before the due date for such amounts. Landlord shall not be liable in damages or otherwise for any failure or interruption of any utility service, and no such failure or interruption shall entitle Tenant to terminate this Lease or to any reduction of rent.

19. Landlord's Right of Entry. Tenant will allow Landlord access to the Leased Premises at reasonable times during normal business hours during the Term for the purposes of examining the Leased Premises.

20. Defaults of Tenant. Each of the following events is an event of default by Tenant under this Lease: (a) Tenant fails to pay Base Rent payable hereunder within ten (10) days after it is due; (b) Tenant fails to pay any additional rent due hereunder within twenty (20) days after written notice from Landlord to Tenant that such additional rent has not been paid; (c) Tenant abandons or vacates the Leased Premises; (d) Tenant fails to perform any other of the terms, conditions or covenants of this Lease to be observed or performed by Tenant for more than twenty (20) days after written notice of such default; provided, however, that if the nature of Tenant's failure is such that more time is reasonably necessary in order to cure Tenant's failure, then Tenant shall not be in default under this Lease if Tenant diligently commences to cure within the foregoing period, exercises its consistent and diligent efforts to cure such failure, keeps Landlord reasonably advised of its efforts and progress to cure, and completes such cure within not more than 60 days after the written notice provided for above, or (e) a Transfer by Tenant without the prior written consent of Landlord.

21. Remedies of Landlord. Upon an event of default and notice to Tenant of such event of default, Landlord shall be entitled to exercise all rights and remedies at law or in equity, at any time thereafter. Such remedies include, without limitation, (1) to immediately re-enter and remove all persons and property from the Leased Premises, without liability for damages sustained by reason of such re-entry and removal, (2) to lease the Leased Premises during the remainder of the Term and apply all net rent received to the outstanding obligations of Tenant under this Lease,

and/or (3) bring an action for the full balance due under this Lease and any damages sustained by Landlord. Notwithstanding any default of the Tenant or any action taken by Landlord in connection with such default, the Term of this Lease shall not terminate until the date that no portion of the Bonds remains outstanding.

22. Possession; Quiet Enjoyment. Tenant is currently in possession of a portion of the Leased Premises under a lease with SRCLLC. Upon recordation of the Deed, and transfer of possessory rights of SRCLLC in any portion of the Leased Premises to Landlord, Landlord shall deliver possession of the remainder of the Leased Premises to Tenant. Upon Tenant's payment of the rent and other charges due hereunder and Tenant's performance of all its obligations under the terms, covenants, and conditions of this Lease, Landlord will do nothing to prevent Tenant from peaceably and quietly enjoying, holding, and occupying the Leased Premises during the Term of this Lease.

23. Damage or Destruction. If the Leased Premises are damaged or destroyed during the Term, Landlord shall not be deemed in default hereunder, and Tenant shall not be entitled to recover monetary damages for any loss of use. Tenant may, at Tenant's election, use proceeds of insurance to repair and/or rebuild any damaged improvements.

24. Taking. In the event of a Taking of the entire Leased Premises (excluding a Taking for a temporary use), then this Lease shall terminate and become null and void as of the date of such Taking or conveyance, provided that Tenant shall be obligated to pay Landlord all amounts due under this Lease through the date of such Taking, and provided that such termination shall in no manner limit the Landlord's and Tenant's rights to an award or to recover from the condemning authority on account of such Taking. In the event of a Taking of a portion of the Leased Premises, then this Lease and all the covenants, conditions and provisions hereunder shall be and remain in full force and effect as to all of the Leased Premises not so taken or conveyed, and Base Rent shall be equitably reduced in proportion to the portion of the Leased Premises subject to the Taking.

25. No Brokers. Tenant hereby acknowledges and warrants to Landlord that Tenant has dealt with no broker with regard to this Lease. Tenant hereby indemnifies Landlord against any claims for payment of any brokerage commission, finders fee or similar compensation to any person or entity in connection with this Lease.

26. Notice of Statutory Conflict-of Interest. Notice is provided that this Lease may be canceled without penalty pursuant to the terms of A.R.S. §38-511.

27. General Provisions.

(a) Notices. All notices required or permitted to be given hereunder shall be in writing and shall be personally delivered, delivered by U.S. Mail, postage prepaid, certified or registered, or delivered by Federal Express or similar

nationally recognized overnight delivery service addressed to Landlord or Tenant as described below.

If to Landlord: StoneRidge Community Facilities District  
c/o the Town of Prescott Valley  
7501 East Civic Circle  
Prescott Valley, AZ 86314  
Attention: SRCFD Manager

If to Tenant: StoneRidge At Prescott Valley Community Association  
c/o Homeowner's Association Management Company  
P.O. Box 10000  
Prescott, AZ 86304

With a copy to: Brad Swisher  
Mike Richards  
80 E. Rio Salado Parkway #410  
Tempe, AZ 85281

(b) Estoppel Certificate. Upon receipt of a written request from Landlord, Tenant shall, from time to time, and within ten (10) business days after receipt of such request, execute, acknowledge and deliver to Landlord a statement in writing (a) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease, as so modified, is in full force and effect) and the dates to which the Base Rent and additional rent have been paid. Tenant's failure to deliver such statement within such time period shall be conclusive against Tenant that (i) this Lease is in full force and effect, without modification except as may be represented by Landlord, and (ii) that Base Rent and additional rent has been paid through the dates represented by Landlord.

(c) Waiver. Failure or delay on the part of Landlord or Tenant to exercise any right, remedy, power or privilege hereunder shall not operate as a waiver thereof. A waiver, to be effective, must be in writing and must be signed by the party making the waiver. A written waiver of a default shall not operate as a waiver of any other default or of the same type of default on a future occasion.

(d) Attorney's Fees. In the event any action or suit or proceeding is brought by Landlord to collect the Base Rent or additional rent due or to become due hereunder or any portion thereof or to take possession of the Leased Premises or to enforce compliance with this Lease or for Tenant's failure to observe any of the covenants of this Lease or to vindicate or exercise any of Landlord's rights or remedies hereunder, Tenant agrees to pay Landlord all costs of such action or suit and all expenses of such action or suit together with attorneys' fees incurred in said suit, action or proceeding.

(e) Entire Agreement; Amendment. This Lease sets forth the entire agreement between Landlord and Tenant relative to the Leased Premises, and there are no promises, agreements, conditions or understandings, either oral or written, expressed or implied, between them other than herein set forth. No revision or amendment to this Lease shall be valid unless made in writing and signed by duly authorized representatives of both parties, and the Lease shall not be amended to (1) terminate or shorten the Term of this Lease, (2) alter Landlord's obligation to deposit Base Rent received by Landlord into the Tax Account, or (3) to reduce the amount of the Base Rent payable under this Lease, without the prior written consent of SRCLLC or the designee appointed by SRCLLC in writing with notice to Landlord and Tenant ("SRCLLC Designee"). If for any reason, SRCLLC is not an existing entity at the time of a proposed amendment to this Lease, and Landlord and Tenant have not been provided with written notice of an SRCLLC Designee that is then in existence, then Landlord and Tenant shall have the right to amend this Lease so long as such amendment does not reduce the aggregate Base Rent to be paid under this Lease and deposited into the Tax Account.

(f) No Third Party Beneficiary. No person or entity shall be a third-party beneficiary to this Lease, except that SRCLLC or the SRCLLC Designee may enforce Landlord's obligation to deposit Base Rent received by Landlord under this Lease (after applying amounts received from Tenant to any outstanding additional rent owed hereunder) into the Tax Account.

(g) Counterparts. This Lease may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement.

(h) Applicable Law. This Lease, and the rights and obligations of the parties hereto, shall be construed and enforced in accordance with the laws of the State of Arizona.

(i) Severability. The invalidity of any provision of this Lease as determined by a court of competent jurisdiction shall in no way effect the validity of any other provision hereof.

(j) Time of Essence. Time is of the essence with respect to the obligations to be performed under this Lease.

(k) Incorporation. The recitals hereto and all exhibits hereto are hereby incorporated herein and made a part of this Lease.

(l) Recordation. Landlord and Tenant agree to record a fully executed copy of this Lease in the Official Records immediately after recordation of the Deed.

The parties have executed this Lease on the dates stated adjacent to their signatures and each copy so executed shall constitute an original.

LANDLORD: STONERIDGE COMMUNITY FACILITIES DISTRICT

By: \_\_\_\_\_  
Harvey C. Skoog  
Its: Chairman

ATTEST:

\_\_\_\_\_  
District Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Ivan Legler, District Counsel

TENANT: STONERIDGE AT PRESCOTT VALLEY COMMUNITY ASSOCIATION, an Arizona non-profit corporation

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Its: \_\_\_\_\_

STATE OF ARIZONA                    )  
  ) ss.  
County of Yavapai                    )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of June, 2011, by Harvey C. Skoog, the Chairman of STONERIDGE COMMUNITY FACILITIES DISTRICT, as attested to by the Clerk for the District and approved as to form by counsel for the District, for and on behalf of such district.

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_

STATE OF ARIZONA                    )  
  ) ss.  
County of Yavapai                    )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of June, 2011, by \_\_\_\_\_, the \_\_\_\_\_ of STONERIDGE AT PRESCOTT VALLEY COMMUNITY ASSOCIATION, an Arizona non-profit corporation, for and on behalf of such non-profit corporation.

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_

**EXHIBIT 1**

[Attach copy of executed Deed]

**EXHIBIT 2**

Upon recording, return to:

NOTICE OF END OF TERM OF LEASE

STONERIDGE COMMUNITY FACILITIES DISTRICT, a community facilities district duly organized and validly existing pursuant to the laws of the State of Arizona ("District"), and STONERIDGE AT PRESCOTT VALLEY COMMUNITY ASSOCIATION, an Arizona non-profit corporation ("Association") hereby acknowledge and give notice to the public that the Term of the Community Center Lease ("Lease") recorded at Book \_\_\_ of the Official Records of Yavapai County, Arizona, Page \_\_\_, has ended on \_\_\_\_\_, 20\_\_ ("End of Term Date").

Pursuant to a Special Warranty Deed ("Deed") recorded at Book \_\_\_ of the Official Records of Yavapai County, Arizona, Page \_\_\_, Association holds fee simple title to the property described in such Deed as of the End of Term Date.

District and Association have executed this Notice on the dates set forth below.

STONERIDGE COMMUNITY FACILITIES DISTRICT

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Its: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
District Clerk

Date: \_\_\_\_\_, 20\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
\_\_\_\_\_, District Counsel

STONERIDGE AT PRESCOTT VALLEY COMMUNITY ASSOCIATION, an Arizona non-profit corporation

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Its: \_\_\_\_\_

Date: \_\_\_\_\_, 20\_\_

STATE OF ARIZONA                    )  
  ) ss.  
County of Yavapai                    )

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 20\_\_, by \_\_\_\_\_, the \_\_\_\_\_ STONERIDGE COMMUNITY FACILITIES DISTRICT, as attested to by the Clerk for the District and approved as to form by counsel for the District, for and on behalf of such district.

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_

STATE OF ARIZONA                    )  
  ) ss.  
County of Yavapai                    )

The foregoing instrument was acknowledged before me this \_\_\_ day of \_\_\_\_\_, 20\_\_, by \_\_\_\_\_, the \_\_\_\_\_ of STONERIDGE AT PRESCOTT VALLEY COMMUNITY ASSOCIATION, an Arizona non-profit corporation, for and on behalf of such non-profit corporation.

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_