

FEASIBILITY REPORT

For The Issuance of

**Not to Exceed
\$14,800,000 Principal Amount**

OF

**STONERIDGE
COMMUNITY FACILITIES DISTRICT
(PRESCOTT VALLEY, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2001**

November 9, 2001

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SECTION ONE

**INTRODUCTION; PURPOSE OF FEASIBILITY REPORT;
AND GENERAL DESCRIPTION OF DISTRICT**

INTRODUCTION

This Feasibility Report (this "Study") has been prepared by engineers and other qualified persons for presentation to the Board of Directors of StoneRidge Community Facilities District (the "District") in connection with the proposed issuance by the District of its General Obligation Bonds, Series 2001 (the "Bonds") in an aggregate principal amount of not to exceed \$14,800,000, pursuant to the Community Facilities Act of 1989, Title 48, Chapter 4, Article 6 of Arizona Revised Statutes (the "Act"), specifically in accordance with the provisions of A.R.S. 48-715 with respect to the feasibility and benefits of certain "public infrastructure" (as defined in A.R.S. 48-701) described herein (the "Public Infrastructure") and the plan for financing the costs of the Public Infrastructure with proceeds of the sale of the Bonds. The District is authorized to issue \$33,000,000 in General Obligation Bonds. Of this authorized amount, \$19,000,000 has been reserved for SunCor and the Project.

PURPOSE OF FEASIBILITY REPORT

Pursuant to A.R.S. 48-715, this Study includes (i) a description of the Public Infrastructure to be constructed or acquired [Section Two]; (ii) a map showing, in general, the location of the Public Infrastructure and area to be benefited by the Public Infrastructure [Section Three]; (iii) an estimate of the cost to acquire, construct, operate and maintain the Public Infrastructure and an estimated schedule for completion of Public Infrastructure [Section Four]; and (iv) a plan for financing the Public Infrastructure [Section Five].

This Study has been prepared for the consideration of the Board of Directors of the District only. It is not intended or anticipated that this Study will be relied upon by other persons, including, but not limited to, purchasers of the Bonds. This Study does not attempt to address the quality of the Bonds as investments or the likelihood of repayment of the Bonds. In preparing this Study, financial advisors, counsel, engineers, Town of Prescott Valley, Arizona (the "Town") staff and other experts have been consulted as deemed appropriate.

GENERAL DESCRIPTION OF DISTRICT

Formation of the District was approved by the Town on July 26, 2001 upon the request of First American Title Company of Yavapai, Inc., as trustee, on behalf of and at the direction of SunCor Development Company ("SunCor"), as managing partner of the StoneRidge-Prescott Valley L.L.C. (the "L.L.C."), owner of all of the land within the District. The District is located within the Town boundaries and was created to finance the acquisition of the Public Infrastructure which relates to the development of portions of StoneRidge, a master planned residential development (the "Project"). The Project will consist of approximately 1,840 acres and is expected to include approximately 2,243 single-family homes, 469 multi-family units, 275 timeshare units, 22 acres of commercial development, and a 18 hole championship golf course, all of which will be within the District. See Table Four in Section Five for an estimated absorption schedule for the Project. A map of the District is included in Section Three and a legal description depicting the boundaries of the District is included in Appendix A.

SECTION TWO

DESCRIPTION OF PUBLIC INFRASTRUCTURE

DESCRIPTION OF PUBLIC INFRASTRUCTURE UNITS 1 & 2

The Public Infrastructure, which will be publicly bid pursuant to State law and Town policies, is listed below. Upon acquisition by the District, the Public Infrastructure will be dedicated or otherwise transferred by the District to the Town.

1. ***StoneRidge Drive - Unit 1:***

StoneRidge Drive improvements south of Highway 69 to Old Black Canyon Highway. Includes planning and engineering, survey, testing archaeological mitigation, permits and fees, tax, bonds, studies and reports, mass excavation, storm drain facilities, underground water south of the entrance to the first phase located approximately 7,100 linear feet south of State Route 69, sewer concrete curb, gutter and sidewalk, pavement, guard rail, striping and signage, street lights along with landscape and other related improvements and materials.

Total Estimated Cost \$5,160,270

2. ***Lynx Creek Bridge - Unit 1:***

Construction of bridge spanning over Lynx Creek for StoneRidge Drive. Includes planning and engineering, survey, testing archaeological mitigation, permits and fees, tax, bonds, studies and reports, inspection and construction and other related improvements and materials.

Total Estimated Cost \$1,538,770

3. ***Off-site Utilities - Unit 1:***

Planning and engineering, survey, testing archaeological mitigation, permits and fees, tax, bonds, studies and reports, construction of off-site sewer, sewer force main, effluent pipeline, two sewer lift stations and booster pumps for effluent transport.

Total Estimated Cost \$1,588,891

4. A. ***Infrastructure Improvements - Unit 1 (Parcels 1, 2 and 3)***

Unit 1, Parcels 1, 2, and 3 infrastructure improvements include planning and engineering, survey, testing, permits and fees, tax, bonds, studies and reports, underground water, sewer, drainage, concrete, curb, gutter and sidewalks, paving, signage, striping, landscape and street lights along with other related improvements.

Total Estimated Cost \$3,988,017

B. Parks, Trails and Recreational Facilities - Unit 1

To provide improvements to open space in the form of pathways, drainage tracts and parks. Improvements include planning and engineering, survey, testing, permits, fees, tax, bonds, landscape material, irrigation, hardscape, drainage structures, parking, park furniture and other miscellaneous amenities and improvements.

Total Estimated Cost \$263,533

5. **A. Infrastructure Improvements - Unit 2 (Parcels 1, 2 and 3)**

Unit 2 infrastructure improvements include, planning and engineering, survey, testing archaeological mitigation, permits and fees, tax, bonds, studies and reports, underground water, sewer, drainage, concrete, curb, gutter and sidewalks, paving, signage, striping, landscape and street lights along with other related improvements and materials.

Total Estimated Cost \$3,374,428

B. Parks, Trails and Recreational Facilities - Unit 2

To provide improvements to open space in the form of pathways, drainage tracts and parks. Improvements include planning and engineering, survey, testing, permits, fees, tax, bonds, landscape material, irrigation, hardscape, drainage structures, parking, park furniture, and other miscellaneous amenities and improvements.

Total Estimated Cost \$318,037

6. **Old Black Canyon Highway East of StoneRidge Drive—Unit 2**

Old Black Canyon Highway improvements east of the intersection of StoneRidge Drive and the Old Black Canyon Highway to the east property line of the project. Includes planning and engineering, survey, testing archaeological mitigation, permits and fees, tax, bonds, studies and reports, mass excavation, storm drain facilities, water, sewer, concrete curb, gutter and sidewalk, pavement, striping, signage, landscape and street lights and other related improvements and materials.

Total Estimated Cost \$2,979,292

Total Cost Units 1 and 2 \$19,211,238

SECTION THREE

**MAP SHOWING DISTRICT BOUNDARIES,
LOCATION OF PUBLIC INFRASTRUCTURE AND
AREA TO BE BENEFITED**

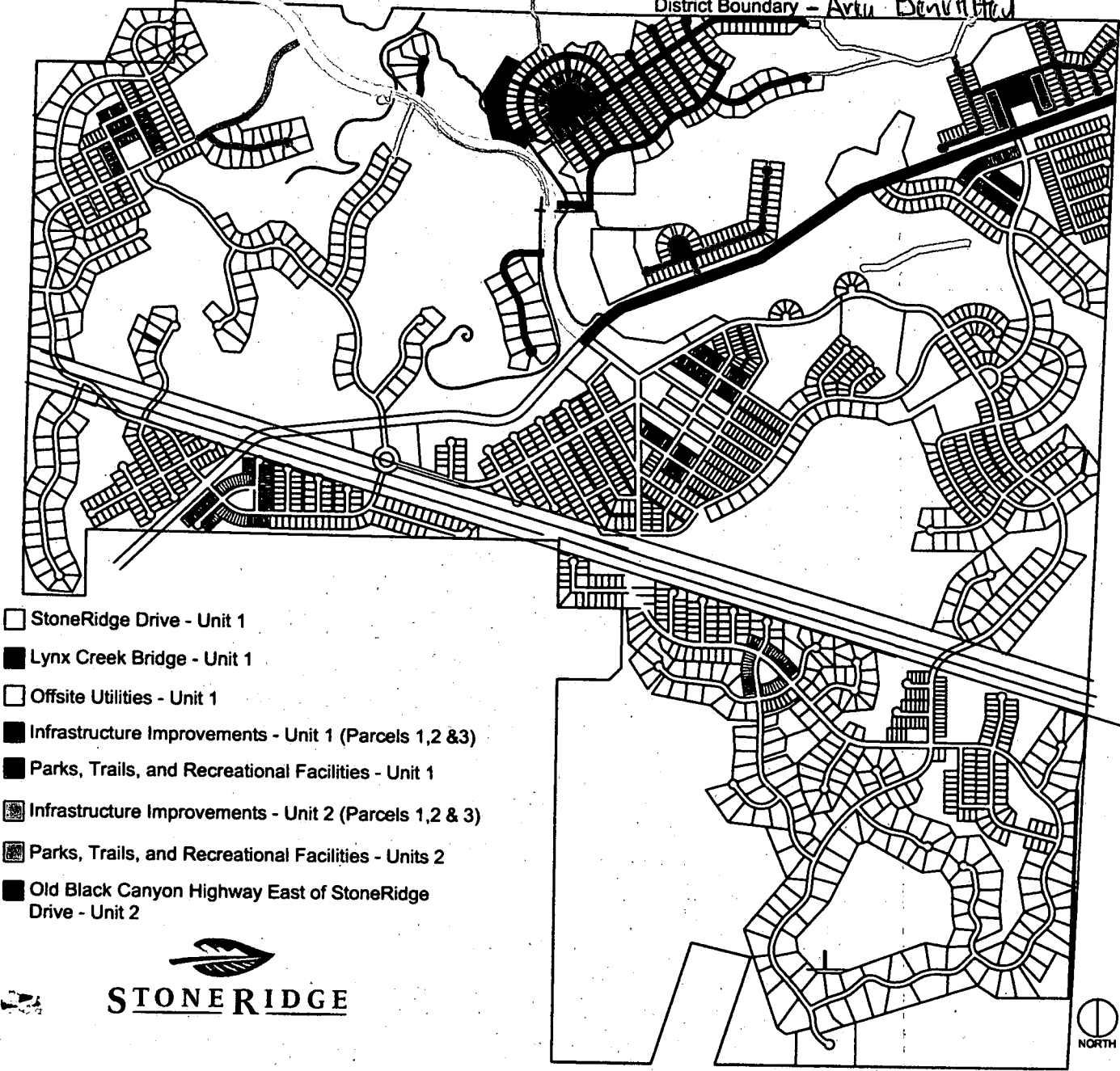
AREA NORTH OF S.R. 69
GLASSFORD HILLS ROAD
TO LAKE VALLEY PARK
EFFLUENT BOOSTER STATION

S.R. 69

S.R. 69

S.R. 69

District Boundary - Ardu Benefitted



- StoneRidge Drive - Unit 1
- Lynx Creek Bridge - Unit 1
- Offsite Utilities - Unit 1
- Infrastructure Improvements - Unit 1 (Parcels 1,2 &3)
- Parks, Trails, and Recreational Facilities - Unit 1
- ▨ Infrastructure Improvements - Unit 2 (Parcels 1,2 & 3)
- ▨ Parks, Trails, and Recreational Facilities - Units 2
- Old Black Canyon Highway East of StoneRidge Drive - Unit 2



SECTION FOUR

**ESTIMATE OF COST AND
TIMETABLE FOR ACQUISITION
OF PUBLIC INFRASTRUTURE**

**ESTIMATE OF COST OF PUBLIC INFRASTRUCTURE AND
TIMETABLE FOR COMPLETION OF PUBLIC INFRASTRUCTURE**

Listed below are estimated costs of construction and the anticipated dates for completion of the construction of the Public Infrastructure. Proceeds of the Bonds remaining after payment of the costs of issuance will be used by the District to acquire appropriate portions of the Public Infrastructure.

<u>Infrastructure</u>	<u>Timing</u>	<u>Cost</u>
1. StoneRidge Drive-Unit 1	2 nd Quarter 2002	\$5,160,270
2. Lynx Creek Bridge-Unit 1	1st Quarter 2002	\$1,538,770
3. Off-site Utilities-Unit 1	2 nd Quarter 2002	\$1,588,891
4. Infrastructure Improvements-Unit 1	2 nd Quarter 2002	\$3,988,017
Parks, Trails & Rec Facilities-Unit 1	2 nd Quarter 2002	\$ 263,533
5. Infrastructure Improvements-Unit 2	2 nd Quarter 2003	\$3,374,428
Parks, Trails & Rec Facilities-Unit 2		\$ 318,037
6. Old Black Canyon Hwy -Unit 2 (East of StoneRidge Drive)	2 nd Quarter 2003	<u>\$2,979,292</u>
Total Cost		<u>\$19,211,238</u>

Upon acquisition, the District will dedicate or otherwise transfer all portions of the Public Infrastructure to the Town. A \$0.30 tax rate will be levied and collected for the operations and maintenance of the District and the Public Infrastructure.

SECTION FIVE

PLAN OF FINANCE

PLAN OF FINANCE

The acquisition of the Public Infrastructure will be financed by the District with a Plan of Finance herein described. This Plan of Finance is subject to modification to accommodate market conditions at the time of the actual sale of the Bonds and to the extent necessary to comply with federal and/or State laws.

Proposed Bond Sale.

The Bonds will have a 25-year maturity with seven years of interest only and principal amortized over the balance of the issue on a level debt service basis. (See Table Two for an estimated debt service schedule and Table Three for a debt service vs. projected revenue schedule.)

The Bonds will be unrated and sold through a limited offering (non-public offering pursuant to A.R.S. 48-722). Investors will be required to sign a qualified investor's letter and meet certain investor criteria.

The Bonds will be structured with the intent that the debt tax rate will not exceed \$3.00 per \$100 secondary assessed value. In addition, the District will levy a tax rate of \$0.30 per \$100 of secondary assessed value for the operation and maintenance of the District and the Public Infrastructure.

Estimated Sources and Uses of Funds.

The estimated sources and uses of funds including proceeds of the sale of the Bonds (exclusive of accrued interest and original issue discount on the bonds, if any) will be:

SOURCES:

Series 2001 Bonds	\$14,800,000
Developer Contribution Pursuant to Payment Agreement	<u>\$ 2,960,000</u>
Total Sources	<u>\$17,760,000</u>

USES:

Estimated Public Infrastructure Expense	\$14,150,000
Deposit Held Pursuant to Deposit Agreement	\$ 2,960,000
Costs of Issuance	\$ 280,000
Underwriters Discount	<u>\$ 370,000</u>
Total Uses	<u>\$17,760,000</u>

Standby Contribution Agreement; Depository Agreement.

The \$3.00 tax rate for debt service is not currently sufficient to provide for the proposed debt service of the Bonds given the existing property tax base. As a consequence, the L.L.C. and SunCor will enter into a standby contribution agreement (the "Contribution Agreement") whereby on the date of closing of the Bonds and on certain other dates of each fiscal year thereafter until terminated, the L.L.C. and SunCor will be obligated, jointly and severally, to pay to the District an amount necessary to maintain the tax rate at \$3.00 for debt service given the then current tax base and debt service requirements of the Bonds. The Contribution Agreement will be in effect for the life of the Bonds and is subject to termination if certain conditions are met, principally that the \$3.00 tax rate alone has proven to be sufficient to provide for maximum annual debt service of the Bonds.

In addition, the L.L.C. will deposit with the Trustee at closing \$2,960,000 to be held pursuant to a depository agreement (the "Depository Agreement"), which shall be drawn upon to pay debt service if the L.L.C. or SunCor fail to pay under the Contribution Agreement. Amounts available pursuant to the Depository Agreement may be paid to the L.L.C. under certain circumstances from time to time, and the balance will be paid to the L.L.C. when tax revenue alone have proven to be sufficient to provide maximum annual debt service of the Bonds.

Homeowner's Obligation and Disclosure of Property Tax Payments.

At the \$3.30 tax rate level, assuming an average home price of \$200,000, the District portion of a tax bill for a homeowner would equal approximately \$47 per month or \$561 annually.

A.R.S. Section 32-2181 et seq. requires the disclosure of all property taxes to be paid by a homeowner in the Subdivision Public Report. Prior to the home sale, each homebuyer must be supplied a Subdivision Public Report, and the homebuyer must acknowledge by signature that they have read and accepted the Subdivision Public Report.

In addition, SunCor's homebuilder, Golden Heritage Homes, Inc., requires the homebuyer to sign an additional form that highlights and discloses the additional property tax payments due to the District.

Commercial Property Owner's Obligation.

At the \$3.30 tax rate level, for every \$250,000 of property value for improved and constructed commercial properties, the District portion of a tax bill for a commercial property owner would equal approximately \$172 per month or \$2,062 annually.

Table One

**Stoneridge Community Facilities District
(Prescott Valley, Arizona)
District General Obligation Bonds,
Series 2001**

Assumptions

Secondary Assessed Valuation:

Custom Homes Average Home Price	\$375,000
Production Homes Average Home Price	193,000
Townhomes Average Home Price	120,000
Multifamily Average Unit Value	60,000
Commercial Sites Price Per Acre (Improved)	1,450,000
Growth Rate	0%
Value of homes on rolls @	85%
Value lagged one year from absorption schedule	

Bonds:

Bonds Dated (For Purposes of Calculation Only)	12/1/2001
1st Interest Payment	7/15/2002
Interest Only Period:	Through 1/15/2009
Term:	25 Years
Interest Rate:	6.75%

TABLE TWO

\$14,800,000
Stoneridge Community Facilities District
(Prescott Valley, Arizona)
District General Obligation Bonds, Series 2001

Dated Date: 12/1/2001
 Delivery Date: 12/1/2001

<u>DATES</u>	<u>Principal Amount</u>	<u>Coupon</u>	<u>Interest</u>	<u>Total</u>	<u>FY Total Debt Service</u>
7/15/2001					
1/15/2002					
7/15/2002			\$621,600.00	\$621,600.00	\$621,600.00
1/15/2003			499,500.00	499,500.00	
7/15/2003			499,500.00	499,500.00	999,000.00
1/15/2004			499,500.00	499,500.00	
7/15/2004			499,500.00	499,500.00	999,000.00
1/15/2005			499,500.00	499,500.00	
7/15/2005			499,500.00	499,500.00	999,000.00
1/15/2006			499,500.00	499,500.00	
7/15/2006			499,500.00	499,500.00	999,000.00
1/15/2007			499,500.00	499,500.00	
7/15/2007			499,500.00	499,500.00	999,000.00
1/15/2008			499,500.00	499,500.00	
7/15/2008		6.750%	499,500.00	499,500.00	999,000.00
1/15/2009			499,500.00	499,500.00	
7/15/2009	\$445,000	6.750%	499,500.00	944,500.00	1,444,000.00
1/15/2010			484,481.25	484,481.25	
7/15/2010	475,000	6.750%	484,481.25	959,481.25	1,443,962.50
1/15/2011			468,450.00	468,450.00	
7/15/2011	505,000	6.750%	468,450.00	973,450.00	1,441,900.00
1/15/2012			451,406.25	451,406.25	
7/15/2012	540,000	6.750%	451,406.25	991,406.25	1,442,812.50
1/15/2013			433,181.25	433,181.25	
7/15/2013	580,000	6.750%	433,181.25	1,013,181.25	1,446,362.50
1/15/2014			413,606.25	413,606.25	
7/15/2014	620,000	6.750%	413,606.25	1,033,606.25	1,447,212.50
1/15/2015			392,681.25	392,681.25	
7/15/2015	660,000	6.750%	392,681.25	1,052,681.25	1,445,362.50
1/15/2016			370,406.25	370,406.25	
7/15/2016	705,000	6.750%	370,406.25	1,075,406.25	1,445,812.50
1/15/2017			346,612.50	346,612.50	
7/15/2017	750,000	6.750%	346,612.50	1,096,612.50	1,443,225.00
1/15/2018			321,300.00	321,300.00	
7/15/2018	800,000	6.750%	321,300.00	1,121,300.00	1,442,600.00
1/15/2019			294,300.00	294,300.00	
7/15/2019	855,000	6.750%	294,300.00	1,149,300.00	1,443,600.00
1/15/2020			265,443.75	265,443.75	
7/15/2020	915,000	6.750%	265,443.75	1,180,443.75	1,445,887.50
1/15/2021			234,562.50	234,562.50	
7/15/2021	975,000	6.750%	234,562.50	1,209,562.50	1,444,125.00
1/15/2022			201,656.25	201,656.25	
7/15/2022	1,045,000	6.750%	201,656.25	1,246,656.25	1,448,312.50
1/15/2023			166,387.50	166,387.50	
7/15/2023	1,115,000	6.750%	166,387.50	1,281,387.50	1,447,775.00
1/15/2024			128,756.25	128,756.25	
7/15/2024	1,190,000	6.750%	128,756.25	1,318,756.25	1,447,512.50
1/15/2024			88,593.75	88,593.75	
7/15/2025	1,270,000	6.750%	88,593.75	1,358,593.75	1,447,187.50
1/15/2026			45,731.25	45,731.25	
7/15/2026	1,355,000	6.750%	45,731.25	1,400,731.25	1,446,462.50
TOTALS	\$14,800,000		\$17,829,712.50	\$32,629,712.50	\$32,629,712.50

STONRIDGE COMMUNITY FACILITIES DISTRICT
(PRESCOTT VALLEY, ARIZONA)
DISTRICT GENERAL OBLIGATION BONDS
SERIES 2001

1	2	3	4	5	6	5	6
DISTRICT DEBT SERVICE			REVENUES (A)				
Fiscal Year Ending	Net Secondary Assessed Valuation (A)	Proposed Series 2001 Debt Service (B)	Projected District Revenues (A)	Held Pursuant to the Depository Agreement (D)	Total Revenues Available for Debt Service	Estimated Standby Contribution Payment (C)	Total District Tax Rate
2002	\$0	\$621,600		\$46,250	\$46,250	(\$575,350)	3.00
2003	1,953,890	999,000	\$58,617	74,000	132,617	(866,383)	3.00
2004	7,311,015	999,000	219,330	74,000	293,330	(705,670)	3.00
2005	12,774,390	999,000	383,232	74,000	457,232	(541,768)	3.00
2006	19,002,765	999,000	570,083	74,000	644,083	(354,917)	3.00
2007	24,211,140	999,000	726,334	74,000	800,334	(198,666)	3.00
2008	29,929,515	999,000	897,885	74,000	971,885	(27,115)	3.00
2009	35,902,890	1,444,000	1,077,087	74,000	1,151,087	(292,913)	3.00
2010	41,621,265	1,443,963	1,248,638	74,000	1,322,638	(121,325)	3.00
2011	46,829,640	1,441,900	1,404,889	74,000	1,478,889	36,989	3.00
2012	52,644,915	1,442,813	1,442,813	74,000	1,442,813	0	2.74
2013	55,911,380	1,446,363	1,446,363		1,446,363	0	2.59
2014	57,143,880	1,447,213	1,447,213		1,447,213	0	2.53
2015	57,143,880	1,445,363	1,445,363		1,445,363	0	2.53
2016	57,143,880	1,445,813	1,445,813		1,445,813	0	2.53
2017	57,143,880	1,443,225	1,443,225		1,443,225	0	2.53
2018	57,143,880	1,442,600	1,442,600		1,442,600	0	2.52
2019	57,143,880	1,443,600	1,443,600		1,443,600	0	2.53
2020	57,143,880	1,445,888	1,445,888		1,445,888	0	2.53
2021	57,143,880	1,444,125	1,444,125		1,444,125	0	2.53
2022	57,143,880	1,448,313	1,448,313		1,448,313	0	2.53
2023	57,143,880	1,447,775	1,447,775		1,447,775	0	2.53
2024	57,143,880	1,447,513	1,447,513		1,447,513	0	2.53
2025	57,143,880	1,447,188	1,447,188		1,447,188	0	2.53
2026	57,143,880	1,446,463	1,446,463		1,446,463	0	2.53
		\$32,629,713	\$28,270,345	\$712,250	\$28,982,595	(\$3,647,117)	

(A) Secondary assessed valuation and Revenues for FYE 2003 through FYE 2026 are based on estimated average home price and absorption schedules provided by SunCor and assuming a total District tax rate of \$3.00. See Table Four.
 (B) Bond issue par amount of \$14,800,000. Interest is estimated at 6.75%.
 (C) By contractual obligation, the Developer and SunCor will provide the shortfall pursuant to the Contribution Agreement.
 (D) Earnings are estimated at 2.50%.

TABLE FOUR

Stoneridge Community Facilities District
 (Prescott Valley, Arizona)
 District General Obligation Bonds, Series 2001

Absorption Schedule

<u>Year</u>	<u>Custom Homes Sold</u>	<u>Production Homes Sold</u>	<u>Town Homes Sold</u>	<u>Multi-Family Units Built</u>	<u>Golf Course Completed</u>	<u>Commercial Acres Sold</u>
2001	0	0	0	0	0	0
2002	0	0	0	0	0	0
2003	0	85	0	0	1	0
2004	30	175	100	100	0	0
2005	54	175	0	50	0	2
2006	54	175	100	0	0	2
2007	54	175	0	0	0	2
2008	54	175	0	100	0	2
2009	54	175	75	0	0	2
2010	54	175	0	100	0	2
2011	54	175	0	0	0	2
2012	54	175	0	119	0	2
2013	43	78	0	0	0	2
2014	0	0	0	0	0	4
Total	505	1,738	275	469	1	22

APPENDIX A

**LEGAL DESCRIPTION OF THE STONERIDGE
COMMUNITY FACILITIES
DISTRICT
(PRESCOTT VALLEY, ARIZONA)**

Darrel E. Wood, P.E., R.L.S.
Ashok C. Patel, P.E., R.L.S.
James S. Campbell, P.E.
Gordon W. R. Wark, P.E.
Thomas R. Gettings, R.L.S.
Randall Beck, P.E.
Scott A. Nelson, R.L.S.
Richard L. Hiner, P.E.
Timothy A. Huval, P.E.
Michael J. Sexton, R.L.S.
Jack K. Moody, P.E.
Leslie J. Kland, P.E.
Curtis L. Brown, P.E., R.L.S.
Paul M. Haas, P.E.
Shimin Zou, Ph.D., P.E.
Michael T. Young, P.E.
Shawn D. Gustafson, P.E.
Joseph C. Daconta, P.E.
Robert S. Unger, R.L.S.
Steven J. Rinkevicius, P.E.
Sherrick H. Campbell, P.E.
James L. Condit, P.E.

JULY 11, 2001
WP #001086.03.047
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SEE EXHIBIT "A"

**PARCEL DESCRIPTION
STONERIDGE
PROPOSED COMMUNITIES FACILITIES
DISTRICT PARCEL**

SOUTHERLY PROPERTY DESCRIPTION

COMMENCING AT THE WEST QUARTER CORNER OF SECTION 22,
TOWNSHIP 14 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER
BASE AND MERIDIAN, YAVAPAI COUNTY, ARIZONA;
THENCE SOUTH 01 DEGREES, 06 MINUTES, 45 SECONDS, WEST,
ALONG THE WEST LINE OF SAID SECTION 22, A DISTANCE OF
2531.18 FEET TO THE NORTHWEST CORNER OF SECTION 27,
TOWNSHIP 14 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER
BASE AND MERIDIAN, YAVAPAI COUNTY, ARIZONA;
THENCE SOUTH 88 DEGREES, 40 MINUTES, 51 SECONDS, EAST,
ALONG THE NORTH LINE OF SAID SECTION 27, A DISTANCE OF
1336.13 FEET TO THE TRUE POINT OF BEGINNING;
THENCE, CONTINUING ALONG SAID NORTH LINE OF SECTION 27,
SOUTH 88 DEGREES, 40 MINUTES, 51 SECONDS, EAST, A DISTANCE
OF 1336.13 FEET TO THE NORTH QUARTER CORNER OF SECTION 27;
THENCE CONTINUING ALONG SAID NORTH LINE OF SECTION 27, SOUTH 88°37
MINUTES 31 SECONDS EAST, A DISTANCE OF 465.48 FEET, TO THE NORTHWEST
CORNER OF TRACT "II" OF STONERIDGE UNIT 1, AS RECORDED IN BOOK 42 OF
MAPS AND PLATS, PAGES 18-31, YAVAPAI COUNTY RECORDER;
THENCE LEAVING SAID NORTH LINE, ALONG THE SOUTHERLY LINE OF SAID
TRACT "II", SOUTH 43 DEGREES, 37 MINUTES, 31 SECONDS, EAST, A DISTANCE
OF 97.40 FEET;
THENCE SOUTH 57 DEGREES, 10 MINUTES, 35 SECONDS, EAST, A DISTANCE OF
13.69 FEET;
THENCE SOUTH 57 DEGREES, 48 MINUTES, 16 SECONDS, EAST, A DISTANCE OF
16.30 FEET;
THENCE SOUTH 58 DEGREES, 12 MINUTES, 52 SECONDS, EAST, A DISTANCE OF
19.06 FEET;
THENCE SOUTH 60 DEGREES, 52 MINUTES, 37 SECONDS, EAST, A DISTANCE OF
17.83 FEET;
THENCE SOUTH 64 DEGREES, 55 MINUTES, 37 SECONDS, EAST, A DISTANCE OF
17.58 FEET;
THENCE SOUTH 30 DEGREES, 39 MINUTES, 30 SECONDS, EAST, A DISTANCE OF
38.74 FEET;
THENCE SOUTH 44 DEGREES, 12 MINUTES, 52 SECONDS, EAST, A DISTANCE OF
9.74 FEET;

EXHIBIT B

**PARCEL DESCRIPTION
STONERIDGE
PROPOSED COMMUNITIES FACILITIES
DISTRICT PARCEL**

JULY 11, 2001
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THENCE SOUTH 48 DEGREES, 11 MINUTES, 27 SECONDS, EAST, A DISTANCE OF 40.12 FEET;
THENCE SOUTH 62 DEGREES, 10 MINUTES, 22 SECONDS, EAST, A DISTANCE OF 14.83 FEET;
THENCE SOUTH 77 DEGREES, 34 MINUTES, 32 SECONDS, EAST, A DISTANCE OF 21.06 FEET;
THENCE SOUTH 65 DEGREES, 23 MINUTES, 00 SECONDS, EAST, A DISTANCE OF 77.88 FEET;
THENCE SOUTH 65 DEGREES, 46 MINUTES, 12 SECONDS, EAST, A DISTANCE OF 10.86 FEET;
THENCE NORTH 76 DEGREES, 03 MINUTES, 41 SECONDS, EAST, A DISTANCE OF 19.03 FEET;
THENCE NORTH 53 DEGREES, 04 MINUTES, 43 SECONDS, EAST, A DISTANCE OF 28.21 FEET;
THENCE NORTH 75 DEGREES, 13 MINUTES, 23 SECONDS, EAST, A DISTANCE OF 18.52 FEET;
THENCE NORTH 42 DEGREES, 45 MINUTES, 16 SECONDS, EAST, A DISTANCE OF 11.24 FEET;
THENCE NORTH 14 DEGREES, 06 MINUTES, 29 SECONDS, EAST, A DISTANCE OF 43.29 FEET;
THENCE NORTH 28 DEGREES, 08 MINUTES, 13 SECONDS, EAST, A DISTANCE OF 22.47 FEET;
THENCE NORTH 45 DEGREES, 08 MINUTES, 34 SECONDS, EAST, A DISTANCE OF 10.77 FEET;
THENCE NORTH 66 DEGREES, 55 MINUTES, 54 SECONDS, EAST, A DISTANCE OF 29.12 FEET;
THENCE NORTH 74 DEGREES, 20 MINUTES, 13 SECONDS, EAST, A DISTANCE OF 17.19 FEET;
THENCE NORTH 49 DEGREES, 09 MINUTES, 34 SECONDS, EAST, A DISTANCE OF 19.51 FEET;
THENCE NORTH 05 DEGREES, 02 MINUTES, 41 SECONDS, EAST, A DISTANCE OF 25.72 FEET;
THENCE NORTH 05 DEGREES, 01 MINUTES, 55 SECONDS, EAST, A DISTANCE OF 58.76 FEET, TO THE NORTHEAST CORNER OF SAID TRACT "II";
THENCE, LEAVING SAID SOUTHERLY LINE, ALONG SAID NORTH LINE OF SECTION 27,
SOUTH 88 DEGREES, 37 MINUTES, 31 SECONDS, EAST, A DISTANCE OF 1756.61 FEET TO THE NORTHEAST CORNER OF SECTION 27 AND THE NORTHWEST CORNER OF SECTION 26;
THENCE SOUTH 89 DEGREES, 49 MINUTES, 40 SECONDS, EAST, ALONG THE NORTH LINE OF SECTION 26, A DISTANCE OF 2607.96 FEET TO THE NORTH QUARTER CORNER OF SAID SECTION 26;
THENCE, CONTINUING ALONG SAID NORTH LINE OF SECTION 26, SOUTH 89 DEGREES, 48 MINUTES, 53 SECONDS, EAST, A DISTANCE

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OF 2610.39 FEET TO THE NORTHEAST CORNER OF SAID SECTION 26;
THENCE SOUTH 02 DEGREES, 15 MINUTES, 26 SECONDS, WEST,
ALONG THE EAST LINE OF SAID SECTION 26, A DISTANCE OF
2594.26 FEET TO THE EAST QUARTER CORNER OF SAID SECTION 26;
THENCE, CONTINUING ALONG SAID EAST LINE OF SECTION 26,
SOUTH 02 DEGREES, 15 MINUTES, 21 SECONDS, WEST, A DISTANCE
OF 2594.44 FEET TO THE SOUTHEAST CORNER OF SECTION 26 AND
THE NORTHEAST CORNER OF SECTION 35;
THENCE SOUTH 02 DEGREES, 45 MINUTES, 19 SECONDS, WEST,
ALONG THE EAST LINE OF SAID SECTION 35, A DISTANCE OF
5190.66 FEET TO THE SOUTHEAST CORNER OF SAID SECTION 35;
THENCE NORTH 89 DEGREES, 46 MINUTES, 27 SECONDS WEST
ALONG THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID
SECTION 35, A DISTANCE OF 2532.32 FEET TO SOUTH QUARTER
CORNER OF SAID SECTION 35;
THENCE NORTH 89 DEGREES, 33 MINUTES, 20 SECONDS WEST
ALONG THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID
SECTION 35, A DISTANCE OF 909.28 FEET TO A POINT ON THE EAST
LINE OF RED TOP LOAD MINING CLAIM, LOCATED IN BIG BUG MINING
DISTRICT, YAVAPAI COUNTY, ARIZONA, U.S. PATENT RECORDED IN
BOOK 133 OF DEEDS, PAGES 57-59;
THENCE NORTH 18 DEGREES, 06 MINUTES, 15 SECONDS EAST
ALONG SAID EAST CLAIM LINE, A DISTANCE OF 1132.76 FEET TO THE
NORTHEAST CORNER OF SAID RED TOP LOAD MINING CLAIM;
THENCE NORTH 76 DEGREES, 07 MINUTES, 45 SECONDS WEST
ALONG THE NORTH CLAIM LINE OF SAID RED TOP LOAD MINING
CLAIM, A DISTANCE OF 600.50 FEET TO THE NORTHWEST CORNER OF
SAID RED TOP LOAD MINING CLAIM;
THENCE SOUTH 17 DEGREES, 59 MINUTES, 25 SECONDS WEST
ALONG THE WEST CLAIM LINE OF SAID RED TOP LOAD MINING CLAIM,
A DISTANCE OF 1278.28 FEET TO A POINT ON THE SOUTH LINE OF
THE SOUTHWEST QUARTER OF AFORE MENTIONED SECTION 35;
THENCE NORTH 89 DEGREES, 33 MINUTES, 20 SECONDS WEST
ALONG THE SOUTH LINE OF THE SOUTHWEST QUARTER OF SAID
SECTION 35, A DISTANCE OF 974.40 FEET TO THE SOUTHWEST
CORNER OF SAID SECTION 35;
THENCE NORTH 00 DEGREES, 31 MINUTES, 56 SECONDS, EAST,
ALONG THE WEST LINE OF SAID SECTION 35, A DISTANCE OF
2589.18 TO THE WEST QUARTER CORNER OF SAID SECTION 35;
THENCE, CONTINUING ALONG SAID WEST LINE OF SECTION 35,
NORTH 00 DEGREES, 32 MINUTES, 46 SECONDS, EAST, A DISTANCE
OF 1229.29 FEET;
THENCE SOUTH 89 DEGREES, 44 MINUTES, 53 SECONDS, EAST, A
DISTANCE OF 509.86 FEET;

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THENCE NORTH 45 DEGREES, 32 MINUTES, 46 SECONDS, EAST, A
DISTANCE OF 166.38 FEET;
THENCE NORTH 00 DEGREES, 32 MINUTES, 46 SECONDS, EAST, A
DISTANCE OF 582.96 FEET;
THENCE NORTH 89 DEGREES, 44 MINUTES, 53 SECONDS, WEST, A
DISTANCE OF 627.51 FEET TO A POINT ON THE AFORE MENTIONED
WEST LINE OF SECTION 35;
THENCE NORTH 00 DEGREES, 32 MINUTES, 46 SECONDS, EAST,
ALONG SAID WEST LINE OF SECTION 35, A DISTANCE OF 660.00
FEET TO THE NORTHWEST CORNER OF SECTION 35, THE SOUTHWEST
CORNER OF SECTION 26, THE NORTHEAST CORNER OF SECTION 34
AND THE SOUTHEAST CORNER OF SECTION 27;
THENCE NORTH 89 DEGREES, 15 MINUTES, 22 SECONDS, WEST,
ALONG THE SOUTH LINE OF SAID SECTION 27, A DISTANCE OF
2616.84 FEET TO THE SOUTH QUARTER CORNER OF SAID SECTION
27;
THENCE, CONTINUING ALONG SAID SOUTH LINE OF SECTION 27,
NORTH 89 DEGREES, 14 MINUTES, 55 SECONDS, WEST, A DISTANCE
OF 1932.90 FEET;
THENCE SOUTH 39 DEGREES, 13 MINUTES, 49 SECONDS, WEST, A
DISTANCE OF 112.45 FEET;
THENCE SOUTH 00 DEGREES, 32 MINUTES, 46 SECONDS, WEST, A
DISTANCE OF 551.96 FEET TO A NONTANGENT CURVE CONCAVE TO
THE NORTHWEST, THE RADIUS OF WHICH BEARS NORTH 48 DEGREES,
35 MINUTES, 52 SECONDS, WEST, A DISTANCE OF 624.50 FEET;
THENCE SOUTHWEST ALONG SAID CURVE A DISTANCE OF 26.84
FEET, THROUGH A CENTRAL ANGLE OF 02 DEGREES, 27 MINUTES, 44
SECONDS, TO A POINT OF NONTANGENCY;
THENCE NORTH 89 DEGREES, 15 MINUTES, 09 SECONDS, WEST, A
DISTANCE OF 591.07 FEET TO A POINT ON THE WEST LINE OF THE
AFORE MENTIONED SECTION 34;
THENCE NORTH 00 DEGREES, 08 MINUTES, 54 SECONDS, EAST,
ALONG SAID WEST LINE OF SECTION 34, A DISTANCE OF 660.04
FEET TO THE NORTHWEST CORNER OF SECTION 34 AND THE SOUTH
WEST CORNER OF SECTION 27;
THENCE NORTH 01 DEGREES, 20 MINUTES, 33 SECONDS, EAST,
ALONG THE WEST LINE OF SAID SECTION 27, A DISTANCE OF
2618.48 FEET TO THE WEST QUARTER CORNER OF SAID SECTION 27;
THENCE, CONTINUING ALONG SAID WEST LINE OF SECTION 27,
NORTH 01 DEGREES, 19 MINUTES, 56 SECONDS, EAST, 1963.59
FEET;
THENCE SOUTH 88 DEGREES, 44 MINUTES, 49 SECONDS, EAST, A
DISTANCE OF 1332.63 FEET;
THENCE NORTH 01 DEGREES, 38 MINUTES, 22 SECONDS, EAST, A

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DISTANCE OF 653.00 FEET TO A POINT ON THE AFORE MENTIONED
NORTH LINE OF SECTION 27 AND THE TRUE POINT OF BEGINNING.

EXCEPT A 66 FOOT RIGHT OF WAY FOR OLD BLACK CANYON
HIGHWAY AS SHOWN ON THE PLAT OF RECORD ON FILE IN THE
OFFICE OF THE YAVAPAI COUNTY RECORDER IN BOOK 24 OF MAPS
AND PLATS, PAGES 14 THROUGH 18, 33 FEET ON EITHER SIDE OF
THE FOLLOWING DESCRIBED CENTERLINE:

COMMENCING AT THE SOUTHWEST CORNER OF SECTION 27,
TOWNSHIP 14 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER
BASE AND MERIDIAN, YAVAPAI COUNTY, ARIZONA;
THENCE SOUTH 89 DEGREES, 14 MINUTES, 55 SECONDS EAST,
ALONG THE SOUTH LINE OF SAID SECTION 27, A DISTANCE OF
1232.74 FEET TO THE TRUE POINT OF BEGINNING;
THENCE NORTH 47 DEGREES, 43 MINUTES, 11 SECONDS EAST A
DISTANCE OF 1193.25 FEET TO A POINT OF CURVE CONCAVE TO THE
SOUTHEAST AND HAVING A RADIUS OF 639.19 FEET;
THENCE NORTHEAST ALONG SAID CURVE A DISTANCE OF 402.23
FEET, THROUGH A CENTRAL ANGLE OF 36 DEGREES, 03 MINUTES, 20
SECONDS, TO A POINT OF TANGENCY;
THENCE NORTH 83 DEGREES, 46 MINUTES, 31 SECONDS EAST A
DISTANCE OF 817.86 FEET;
THENCE NORTH 82 DEGREES, 30 MINUTES, 21 SECONDS EAST A
DISTANCE OF 547.02 FEET TO A POINT OF CURVE CONCAVE TO THE
SOUTH AND HAVING A RADIUS OF 1573.52 FEET;
THENCE EAST ALONG SAID CURVE A DISTANCE OF 296.30 FEET,
THROUGH A CENTRAL ANGLE OF 10 DEGREES, 47 MINUTES, 20
SECONDS, TO A POINT OF TANGENCY;
THENCE SOUTH 86 DEGREES, 42 MINUTES, 19 SECONDS, EAST A
DISTANCE OF 358.02 FEET TO A POINT OF CURVE CONCAVE TO THE
NORTHWEST AND HAVING A RADIUS OF 594.40 FEET;
THENCE NORTHEAST ALONG SAID CURVE A DISTANCE OF 555.66
FEET, THROUGH A CENTRAL ANGLE OF 53 DEGREES, 33 MINUTES, 40
SECONDS, TO A POINT OF TANGENCY;
THENCE NORTH 39 DEGREES, 44 MINUTES, 01 SECONDS, EAST A
DISTANCE OF 525.67 FEET TO A POINT ON THE EAST LINE OF
AFORE MENTIONED SECTION 27, SAID POINT BEARS SOUTH 02
DEGREES, 31 MINUTES, 28 SECONDS, WEST A DISTANCE OF 804.29
FEET FROM THE EAST QUARTER CORNER OF SAID SECTION 27;
THENCE NORTH 42 DEGREES, 38 MINUTES, 51 SECONDS, EAST A
DISTANCE OF 472.64 FEET;
THENCE NORTH 56 DEGREES, 21 MINUTES, 21 SECONDS, EAST A
DISTANCE OF 284.25 FEET;

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THENCE NORTH 68 DEGREES, 03 MINUTES, 51 SECONDS, EAST A
DISTANCE OF 325.86 FEET;
THENCE NORTH 69 DEGREES, 46 MINUTES, 45 SECONDS, EAST A
DISTANCE OF 1099.98 FEET;
THENCE NORTH 54 DEGREES, 36 MINUTES, 56 SECONDS, EAST A
DISTANCE OF 1156.29 FEET;
THENCE NORTH 69 DEGREES, 20 MINUTES, 30 SECONDS, EAST A
DISTANCE OF 2676.39 FEET TO A POINT ON THE EAST LINE OF
SECTION 26, TOWNSHIP 14 NORTH, RANGE 1 WEST OF THE GILA AND
SALT RIVER BASE AND MERIDIAN, YAVAPAI COUNTY, ARIZONA, SAID
POINT BEARS SOUTH 02 DEGREES, 15 MINUTES, 26 SECONDS, WEST
A DISTANCE OF 755.99 FEET FROM THE NORTHEAST CORNER OF
SAID SECTION 26.

PROPERTY CONTAINS 1811.757 ACRES+/-.

TOGETHER WITH

NORTHERLY PROPERTY DESCRIPTION

ALL OF THOSE PORTIONS OF SECTIONS 21 AND 22, TOWNSHIP 14
NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER BASE AND
MERIDIAN, YAVAPAI COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:
COMMENCING AT THE WEST QUARTER CORNER OF SAID SECTION
22;
THENCE SOUTH 01 DEGREES, 06 MINUTES, 45 SECONDS, WEST,
ALONG THE WEST LINE OF SAID SECTION 22, A DISTANCE OF 230.04
FEET TO THE TRUE POINT OF BEGINNING;
THENCE NORTH 15 DEGREES, 48 MINUTES, 22 SECONDS, WEST, A
DISTANCE OF 329.75 FEET TO A POINT ON THE SOUTHERLY 100
FOOT RIGHT OF WAY LINE OF STATE HIGHWAY 69, SAID POINT ALSO
BEING A POINT ON CURVE TO THE RIGHT, THE RADIUS OF WHICH
BEARS SOUTH 20 DEGREES, 06 MINUTES, 58 SECONDS, EAST, A
DISTANCE OF 2764.79 FEET;
THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE,
FOLLOWING SAID RIGHT OF WAY, THROUGH A CENTRAL ANGLE OF 03
DEGREES, 02 MINUTES, 29 SECONDS, FOR A DISTANCE OF 146.77
FEET TO A POINT OF SPIRAL CURVE PARALLEL TO AND 100 FEET
SOUTH OF THE HIGHWAY CENTERLINE SPIRAL CURVE WHICH HAS AN
A OF 0.5;
THENCE ALONG SAID SOUTHERLY 100 FOOT RIGHT OF WAY
ALONG A SPIRAL, THE CHORD OF WHICH BEARS NORTH 75 DEGREES,
36 MINUTES, 14 SECONDS, EAST, A DISTANCE OF 313.11 FEET;
THENCE, DEPARTING SAID SOUTHERLY 100 FOOT RIGHT OF WAY,

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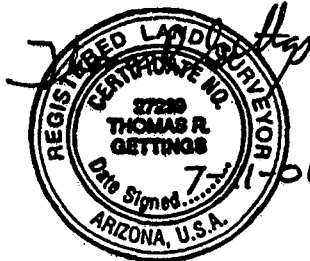
SOUTH 13 DEGREES, 02 MINUTES, 34 SECONDS, EAST, A DISTANCE OF 318.16 FEET;
THENCE NORTH 76 DEGREES, 55 MINUTES, 31 SECONDS, EAST, A DISTANCE OF 4.14 FEET;
THENCE SOUTH 01 DEGREES, 06 MINUTES, 45 SECONDS, WEST, A DISTANCE OF 858.26 FEET;
THENCE NORTH 89 DEGREES, 13 MINUTES, 33 SECONDS, WEST, A DISTANCE OF 425.73 FEET TO A POINT ON THE AFORE MENTIONED WEST LINE OF SECTION 22;
THENCE NORTH 01 DEGREES, 06 MINUTES, 45 SECONDS, EAST, ALONG SAID WEST LINE OF SECTION 22, A DISTANCE OF 719.57 FEET TO THE TRUE POINT OF BEGINNING.

EXCEPTING THEREFROM ANY PORTION OF THE FOLLOWING DESCRIBED PARCEL WHICH LIES THEREIN:

COMMENCING AT THE AFORE MENTIONED WEST QUARTER CORNER OF SECTION 22;
THENCE SOUTH 01 DEGREES, 06 MINUTES, 45 SECONDS, WEST, ALONG THE WEST LINE OF SAID SECTION 22, A DISTANCE OF 265.37 FEET TO THE TRUE POINT OF BEGINNING;
THENCE NORTH 77 DEGREES, 07 MINUTES, 09 SECONDS, EAST, A DISTANCE OF 438.74 FEET;
THENCE SOUTH 01 DEGREES, 06 MINUTES, 45 SECONDS, WEST, A DISTANCE OF 70.08 FEET;
THENCE SOUTH 77 DEGREES, 07 MINUTES, 09 SECONDS, WEST, A DISTANCE OF 438.74 FEET TO A POINT ON THE AFORE MENTIONED WEST LINE OF SECTION 22;
THENCE NORTH 01 DEGREES, 06 MINUTES, 45 SECONDS, EAST, ALONG SAID WEST LINE OF SECTION 22, A DISTANCE OF 70.08 FEET TO THE TRUE POINT OF BEGINNING.

PROPERTY CONTAINS 10.426 ACRES +/-.

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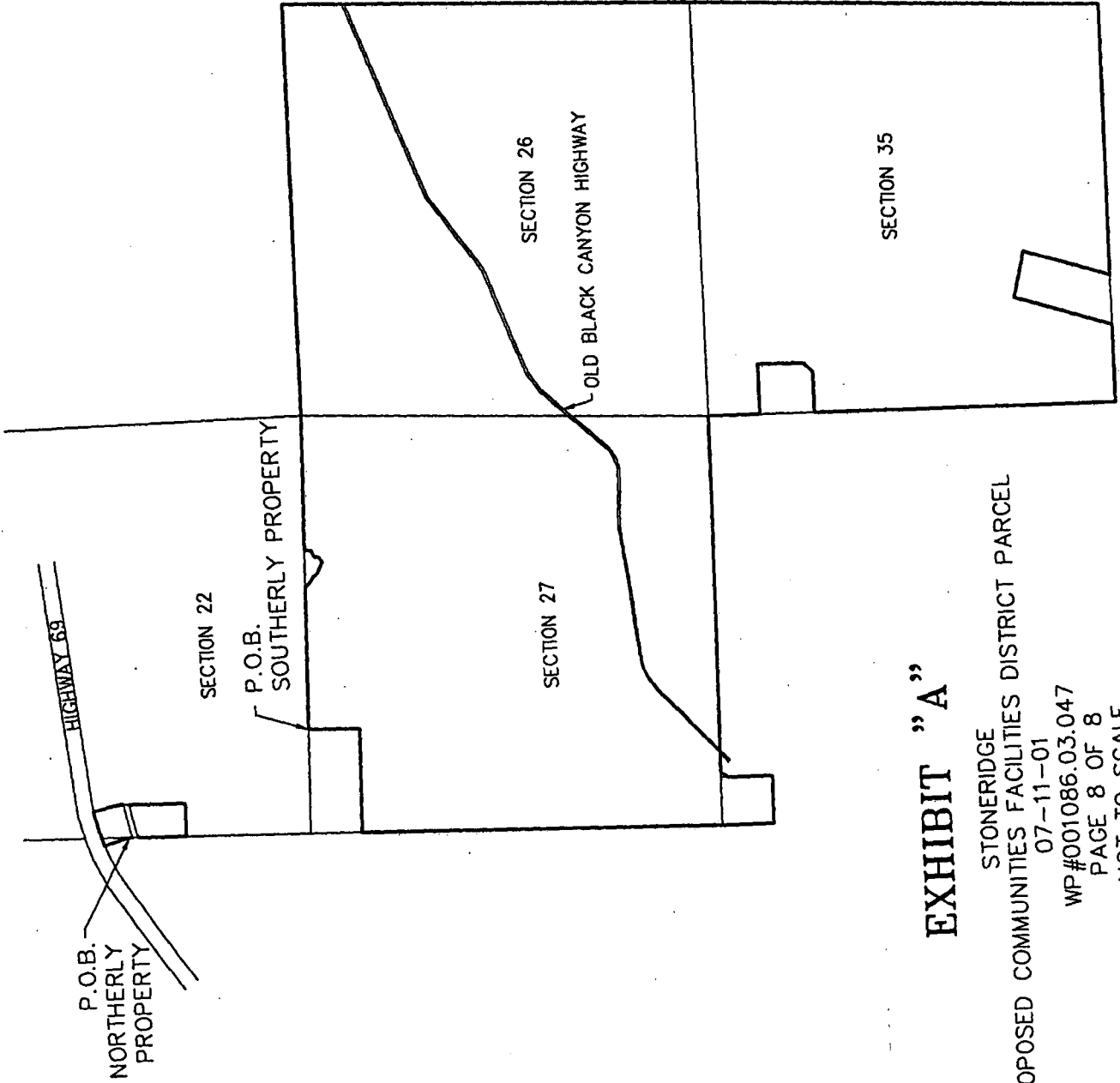
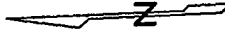
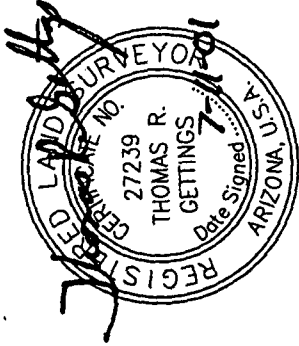


EXHIBIT "A"

STONERIDGE
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 NOT TO SCALE

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