



Statement of Interest

TRANSITION COMMITTEE

Thank you for your interest in serving your community

PLEASE PRINT

Name: _____ Address in StoneRidge _____

Mailing Address if different from above address: _____

If different how many months per year do you reside in StoneRidge: _____ Months

Phone Number: _____ E-Mail _____

How long have you been an owner in StoneRidge? _____

Past or Present Association Experience: _____

Attach sheet for additional information if needed

Board of Director Experience: _____

Attach sheet for additional information if needed

Business or Job Related Experience: _____

Why would you like to serve your Community Association? _____

Are you aware of any potential or perceived conflict that you may have with the StoneRidge at Prescott Valley Community Association? _____ Have you read the Stoneridge Governing Documents? _____

Signature: _____ Date: _____

Chapter 4 of the Stoneridge By-Laws will serve as the Transition Committee Charter and it is attached to this form. Please review the document before submitting your Statement of Interest.

**When completed, please return your Statement of Interest to Kathy Wood at the Community Center or
Mail to: 1300 StoneRidge Dr., Prescott Valley, AZ 86314**

Chapter 4

Transition from Founder Member Control to Owner Member Control of the Properties

4.1. Purpose.

The time during which Owners assume control and responsibility of the Association is known as the "Transition Period." The Transition Period is a process, whereby control of the Board gradually shifts from the Founder Member to Owner Members, and the Owner Members carry out the responsibilities and functions of the Association as set forth in the Declaration and these By-Laws. During this process, the Owner Members, drawing from their experience, education, and training in self-governance, begin to perform the duties of the Board which are outlined in the By-Laws without the assistance of the Founder Member or the Founder Member-appointed directors.

This Chapter is intended to guide the Founder Member, Owner Members, and the Board through the transition process; prepare Owner Members to take control of the Board; encourage direct dialogue among all parties in order to anticipate and resolve maintenance and operation issues; and to promote community-wide participation and understanding of the transition process.

4.2. Transition Committee.

The Board shall appoint a three to five member "Transition Committee" at least six months prior to the termination of the Founder Control Period. The Transition Committee shall be comprised of a majority of Owner Member representatives, and, at a minimum, one Founder Member representative. Within three months from the date of its formation, the Transition Committee shall recommend a transition agreement to the Board.

(a) *Transition Agreement.* The Transition Committee shall include in the transition

agreement (i) a five-year financial plan, or alternatively, a one-year financial plan with five-year rollover projections, an evaluation of the physical portions of Stoneridge, and a recommendation of which areas are in need of service, repair, or replacement; (ii) an agreement as to which parties are responsible for rendering such service, repair, or replacement and a time line for completing such activities; (iii) a list of all existing contracts and an agreement as to which contracts will be continued; (iv) an agreement as to future Founder rights and obligations, if any; and (v) any other issue affecting the operation of the Association or the maintenance of Stoneridge.

The Transition Committee shall work in good faith to develop a transition agreement for execution by the Founder and the Association. Once agreed upon by a majority of Transition Committee members, the transition agreement shall be recommended to the Board for its approval and execution. In the event that a transition agreement is not reached, the Transition Committee shall inform the Board in writing the reasons why it was unable to finalize a Transition Agreement.

The following suggestions are listed to guide the Transition Committee in developing a transition agreement:

(i) ~~Inspect~~ all physical structures, recreational areas, and improvements in the Area of Common Responsibility to evaluate their condition and prepare or update the capital improvement plan;

(ii) Place all Common Area utility services (electric, water, gas, telephone, cable, internet/intranet) in the Association's name;

(iii) Update Association's corporate book, record books, and accounts. A record of all receipts, payments, and expenditures made on the Association's behalf must be maintained;

(iv) Evaluate the Association's Governing Documents to ensure that the Association has the necessary power, authority, and infrastructure to operate Stoneridge;

(v) Conclude any pending legal, document, or Association matters, such as deeding any remaining Common Area to the Association, addressing all covenant enforcement issues, and taking any assessment collection action;

(vi) Review insurance policies to ensure adequate coverage is being maintained;

(vii) Review property management agreements to develop recommendations on post-developer management of common area and facilities;

(viii) Conduct a financial review of the Association's current budget, assessment rate, reserve accounts, and tax filings and records; and

(ix) Review the Association's real and personal property interests, deeds, and warranties.

(b) *Transition Period Education and Training Opportunities.* During the Transition Period, the Transition Committee's vision of transition and strategy for developing a transition agreement should be explained to Owners and the Owners should be prepared to assume control of the Association. Both objectives may be accomplished by teaching Owners about what transition of control means, what to expect during and after the Transition Period, and how to participate in the process.

During the Transition Period, the Transition Committee shall provide or provide for education and training opportunities for Owner Members, focused on the subject of transition. Education or training opportunities shall be held within six months prior to the election during which the Owner Members elect the entire Board. Additionally, the Board shall conduct training for the Transition Committee within the first two months of its appointment to assist the Transition Committee in accomplishing its tasks. The Board may retain, as a Common Expense, industry professionals, which may include property managers, attorneys, and accountants, as appropriate or necessary for such purpose.

(c) *Transition Period Notices.* Once formed, the Transition Committee shall keep the Founder Member and the Owner Members informed of the transition process, including the Transition Committee's agenda, a timeline for creating a transition agreement, and a schedule of transition education, training opportunities, and town hall meetings.

4.3. Town Hall Meetings.

The Transition Committee and the Board shall organize and conduct "town hall" meetings during the Transition Period. Such meetings shall be held for the purpose of promoting open communication among the Transition Committee, the Board, and the Owners. In addition, town hall meetings provide a forum where transition-related issues can be discussed and Owners have an opportunity to ask questions in order to better understand the transition process. For the purposes of preparing the town hall meeting agenda, the Transition Committee may solicit transition related questions from Owners prior to such meetings.