

PRELIMINARY LIMITED OFFERING MEMORANDUM DATED JUNE __, 2015**NEW ISSUE - BOOK-ENTRY-ONLY****NOT RATED**

In the opinion of Gust Rosenfeld P.L.C., Phoenix, Arizona, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, and assuming continuing compliance with certain restrictions, conditions and requirements by the District as mentioned under "TAX EXEMPTION" herein, interest income on the Bonds is excluded from gross income for federal income tax purposes and is exempt from Arizona income taxes. Interest income on the Bonds is not an item of tax preference to be included in computing the alternative minimum tax of individuals or corporations; however, such interest income must be taken into account for federal income tax purposes as an adjustment to alternative minimum taxable income for certain corporations, which income is subject to federal alternative minimum tax. See "TAX EXEMPTION," "ORIGINAL ISSUE DISCOUNT" and "BOND PREMIUM" herein.

The District has designated the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"). The District will certify that it reasonably anticipates that the aggregate amount of qualified tax-exempt obligations (as defined in Section 265(b)(3)(B) of the Code) which will be issued by or on behalf of the District in calendar year 2015 will not exceed \$10,000,000. See "QUALIFIED TAX-EXEMPT OBLIGATIONS" herein.

\$4,600,000*

**EASTMARK COMMUNITY FACILITIES DISTRICT NO. 1
(CITY OF MESA, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2015**

*Dated: Date of Initial Delivery**Due: As shown on the inside front cover page*

The \$4,600,000* principal amount of Eastmark Community Facilities District No. 1 (City of Mesa, Arizona) General Obligation Bonds, Series 2015 (the "Bonds") will be issued in the form of fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available initially to ultimate purchasers through the book-entry-only system maintained by DTC in amounts of \$100,000 and integral multiples of \$5,000 of principal in excess thereof due on specified maturity dates. Interest on the Bonds (except defaulted interest, if any) will be paid semiannually on each January 15 and July 15 of each year, commencing January 15, 2016*. Payments of principal and interest will be paid by wire transfer to DTC for subsequent disbursements to DTC participants which will remit such payments to the beneficial owners of the Bonds. See APPENDIX C - "BOOK-ENTRY-ONLY SYSTEM."

SEE INSIDE FRONT COVER PAGE FOR MATURITY SCHEDULE

The Bonds are authorized pursuant to Title 48, Chapter 4, Article 6, Arizona Revised Statutes, as amended, and an election held on May 17, 2012 in and for Eastmark Community Facilities District No. 1, a community facilities district formed within the boundaries of the City of Mesa, Arizona (the "District") and will be issued pursuant to a resolution of the District Board of the District adopted on May 21, 2015. The Bonds will be payable as to both principal and interest from *ad valorem* taxes to be levied on all taxable property within the boundaries of the District, without limitation as to rate or amount. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS."

The Bonds will be subject to redemption by the District prior to maturity as described herein.*

Proceeds of the sale of the Bonds will be used to finance the acquisition of certain public infrastructure (including road and park improvements within the District) by the District.

The Bonds are not being sold in a public offering. The Bonds may only be purchased by and transferred to "Qualified Investors" (as defined herein). To insure transfer to Qualified Investors only, all sales and transfers must occur utilizing a broker, dealer or municipal securities dealer. See "INVESTOR SUITABILITY STANDARDS AND TRANSFER RESTRICTIONS" herein.

Investment in the Bonds involves certain risks that each prospective investor should consider prior to investing. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS" and "RISK FACTORS" herein.

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY OF MESA, ARIZONA, THE STATE OF ARIZONA OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) IS PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS WILL BE OBLIGATIONS OF THE DISTRICT ONLY. NONE OF THE CITY OF MESA, ARIZONA, THE STATE OF ARIZONA OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) WILL HAVE ANY OBLIGATION WITH RESPECT TO DEBT SERVICE FOR THE BONDS.

The Bonds are offered when, as and if issued and subject to the approval of Gust Rosenfeld P.L.C., Phoenix, Arizona, Bond Counsel. Certain legal matters will be passed upon for the District by its counsel, Gust Rosenfeld P.L.C., Phoenix, Arizona, for the Underwriter by its counsel, Greenberg Traurig, LLP, Phoenix, Arizona, and for DMB Mesa Proving Grounds, LLC by its counsel, Greenberg Traurig, LLP, Phoenix, Arizona. It is expected that delivery of the Bonds will be made through the facilities of DTC on or about July 21, 2015*.

This cover page contains certain information for general reference only. It is not a summary of the issue of which the Bonds are a part. Investors are advised to read this Limited Offering Memorandum in its entirety to obtain information essential to the making of an informed investment decision with respect to the Bonds.

RBC CAPITAL MARKETS

July __, 2015

* Preliminary, subject to change

\$_____,000*

EASTMARK COMMUNITY FACILITIES DISTRICT NO. 1
(CITY OF MESA, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2015

MATURITY SCHEDULE*

Year (July 15)	Principal Amount	Rate	Yield	CUSIP®⁽¹⁾ No. (Base 277482)
2016	\$85,000			
2017	110,000			
2018	115,000			
2019	120,000			
2020	125,000			
2021	125,000			
2022	135,000			
2023	145,000			
2024	145,000			
2025	150,000			
2026	160,000			
2027	165,000			
2028	175,000			
2029	185,000			
2030	195,000			
2031	200,000			
2032	215,000			
2033	225,000			
2034	235,000			
2035	245,000			
2036	255,000			
2037	270,000			
2038	285,000			
2039	535,000			

\$_____ Term Bonds @ ____% Due July 15, 20__ - Yield ____% - ____

\$_____ Term Bonds @ ____% Due July 15, 20__ - Yield ____% - ____

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* Preliminary, subject to change.

EASTMARK COMMUNITY FACILITIES DISTRICT NO. 1

District Board

John Giles, Chairman
Dennis Kavanaugh, Vice Chairman
Dave Richins, Board Member
Alex Finter, Board Member
Chris Glover, Board Member
David Luna, Board Member
Kevin Thompson, Board Member

District Staff

Chris Brady, District Manager
Michael Kennington, District Treasurer
DeeAnn Mickelsen, District Clerk
Gust Rosenfeld P.L.C., District Counsel

Bond Registrar and Paying Agent

U.S. Bank National Association
Phoenix, Arizona

District Financial Advisor

Wedbush Securities Inc.
Phoenix, Arizona

This Limited Offering Memorandum, which includes the cover page, the inside front cover page and the appendices hereto, should be considered in its entirety, and no one subject should be considered less important than another by reason of location in the text. Brief descriptions of the Bonds, the security for the Bonds, the District, the development of land within the District and other information are included in this Limited Offering Memorandum. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Bonds and other documents are qualified in their entirety by reference to such documents, copies of which may be obtained from RBC Capital Markets, LLC (the “Underwriter”), at 2398 East Camelback Road, Suite 700, Phoenix, Arizona 85016.

No dealer, broker, salesperson or other person has been authorized by the District or the Underwriter to give information or to make any representation other than those contained in this Limited Offering Memorandum, and, if given or made, such other information or representations must not be relied upon as having been authorized by the District or the Underwriter.

The Bonds have not been registered under the Securities Act of 1933, as amended, in reliance upon an exemption contained therein. The Bonds have not been registered or qualified under the securities laws of any state. This Limited Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

THE UNDERWRITER HAS PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS LIMITED OFFERING MEMORANDUM: THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS LIMITED OFFERING MEMORANDUM IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

THE INFORMATION SET FORTH HEREIN HAS BEEN OBTAINED FROM THE DISTRICT AND OTHER SOURCES BELIEVED TO BE RELIABLE, BUT SUCH INFORMATION IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS AND IS NOT TO BE CONSTRUED AS THE PROMISE OR GUARANTEE OF THE UNDERWRITER. THE PRESENTATION OF INFORMATION, INCLUDING TABLES OF *AD VALOREM* TAX RATES AND BONDED GENERAL OBLIGATION INDEBTEDNESS, IS INTENDED TO SHOW RECENT HISTORICAL INFORMATION, AND, EXCEPT AS EXPRESSLY STATED OTHERWISE, IS NOT INTENDED TO INDICATE FUTURE OR CONTINUING TRENDS. NO REPRESENTATION IS MADE THAT THE PAST EXPERIENCE SHOWN BY SUCH INFORMATION WILL NECESSARILY CONTINUE OR BE REPEATED IN THE FUTURE. THIS LIMITED OFFERING MEMORANDUM CONTAINS, IN PART, ESTIMATES AND MATTERS OF OPINION WHICH ARE NOT INTENDED AS STATEMENTS OF FACT, AND NO REPRESENTATION IS MADE AS TO THE CORRECTNESS OF SUCH ESTIMATES AND OPINIONS, OR THAT THEY WILL BE REALIZED. THIS LIMITED OFFERING MEMORANDUM IS NOT TO BE CONSTRUED AS A CONTRACT OR AGREEMENT BETWEEN THE DISTRICT OR THE UNDERWRITER AND THE PURCHASERS OR HOLDERS OF ANY OF THE BONDS.

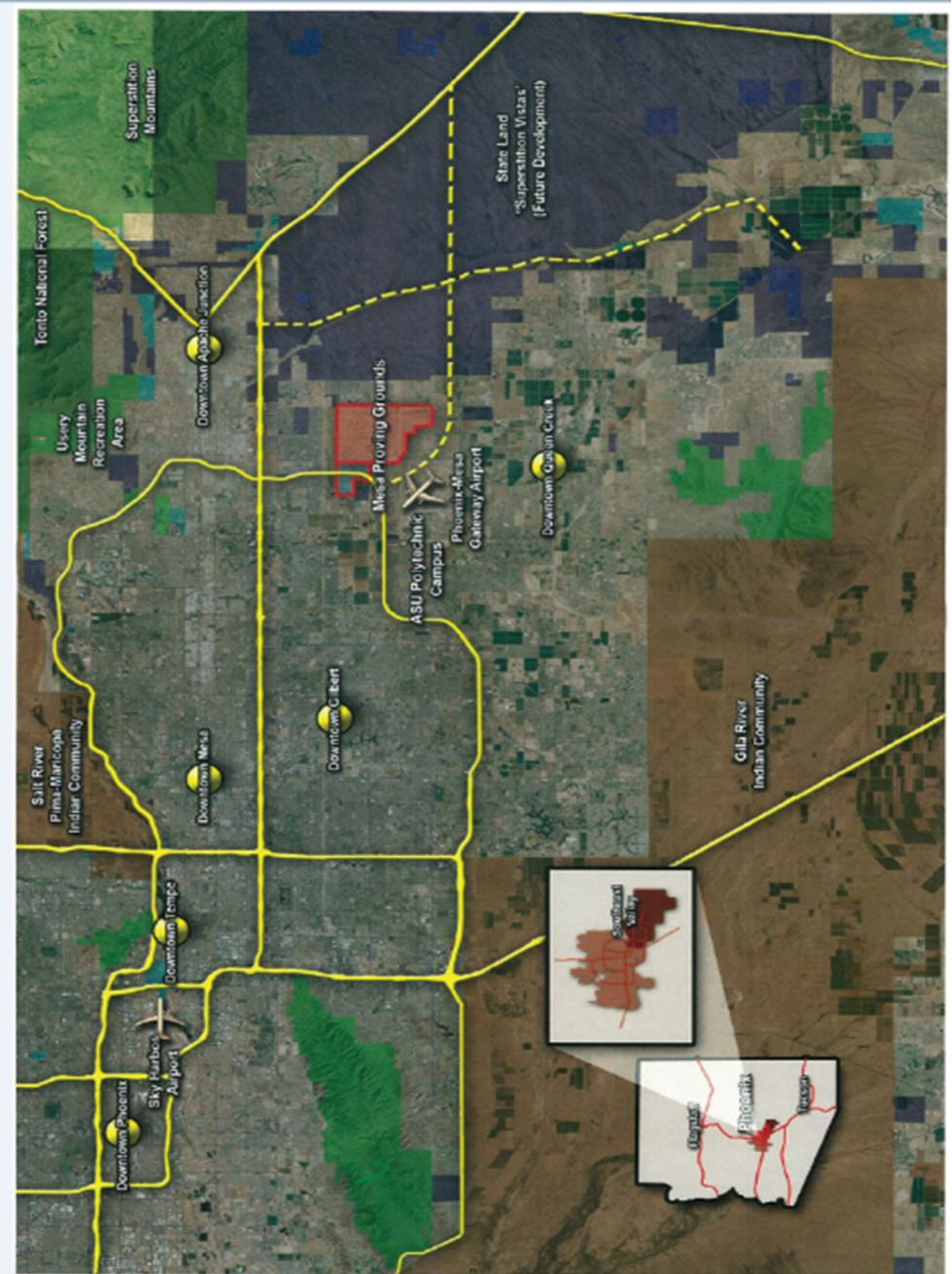
THE INFORMATION AND EXPRESSIONS OF OPINION CONTAINED HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS LIMITED OFFERING MEMORANDUM NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE DISTRICT OR IN THE INFORMATION OR OPINIONS SET FORTH HEREIN, SINCE THE DATE OF THIS LIMITED OFFERING MEMORANDUM.

THE DISTRICT HAS COVENANTED TO PROVIDE CONTINUING DISCLOSURE AS DESCRIBED IN THIS LIMITED OFFERING MEMORANDUM UNDER “CONTINUING DISCLOSURE” AND IN APPENDIX D - “FORM OF CONTINUING DISCLOSURE UNDERTAKING” PURSUANT TO RULE 15C2-12 OF THE SECURITIES AND EXCHANGE COMMISSION.

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MAP SHOWING LOCATION OF EASTMARK
WITHIN METROPOLITAN PHOENIX AREA



MAP SHOWING LOCATION OF THE DISTRICT AND EASTMARK IN THE CONTEXT OF THE SURROUNDING AREA



\$4,600,000*
EASTMARK COMMUNITY FACILITIES DISTRICT NO. 1
(CITY OF MESA, ARIZONA)
GENERAL OBLIGATION BONDS,
SERIES 2015

This Limited Offering Memorandum, which includes the cover page, the inside front cover page and the appendices hereto (this “Limited Offering Memorandum”), provides certain information concerning the issuance of \$4,600,000* principal amount of Eastmark Community Facilities District No. 1 (City of Mesa, Arizona) General Obligation Bonds, Series 2015 (the “Bonds”).

THE DISTRICT

Pursuant to the Community Facilities District Act of 1988, constituting Title 48, Chapter 4, Article 6, Arizona Revised Statutes (the “Act”), and in response to a petition by DMB Mesa Proving Grounds, LLC, a limited liability company organized and existing pursuant to the laws of the State of Delaware (the “Developer”), the manager of which, at the time, was DMB Associates, Inc., a corporation incorporated and existing pursuant to the laws of the State of Arizona (“DMB”), the Mayor and Council (the “City Council”) of the City of Mesa, Arizona (the “City”), adopted a resolution on April 2, 2012, which formed Eastmark Community Facilities District No. 1 (City of Mesa, Arizona) (the “District”). See APPENDIX A hereto for certain information about the City.

The District consists of approximately 2,170 acres of a larger 3,164-acre project within the City formerly known as the Mesa Proving Grounds and now being developed as the mixed use, master planned community known as “Eastmark” (the “Project” or “Eastmark”). The Project is located east of the 202 freeway generally bounded by Elliot Road to the north, Williams Field Road to the south, Ellsworth Road to the west, and Signal Butte Road to the east. The Developer acquired fee title interest under certain purchase agreements in 2006. Construction on the Project commenced in August, 2012, and the first home closings occurred in September 2013. Single family residential units represent approximately 2,040 acres within the Project. See the maps at pages (ii) and (iii) with respect to the location of the District.

On April 1, 2013, a venture was formed between affiliates of Brookfield Residential Properties Inc. (“Brookfield”) and DMB whereby each member has a vested equity interest in the Developer, pursuant to which DMB is the designated Project Manager and representatives of the members serve on an executive committee to approve the business plans for Eastmark as amended from time to time. (Brookfield is listed on the New York Stock Exchange under the symbol “BRP.” Brookfield is subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (the “Commission”). Such reports, proxy statements and other information (collectively, the “Filings”) may be inspected, copied and obtained at prescribed rates at the Commission’s public reference facilities at 100 F Street, N.E., Washington, D.C. 20549-2736. In addition, the Filings may also be inspected at the offices of the New York Stock Exchange at 20 Broad Street, New York, New York 10005. The Filings may also be obtained through the Internet on the Commission’s EDGAR data base at <http://www.sec.gov>. No representative of the District, Bond Counsel, the Underwriter (as defined herein) or counsel to the Underwriter have examined the information set forth in the Filings for accuracy or completeness, nor do they assume responsibility for the same.)

The District is a special purpose, tax levying public improvement district for purposes of the Constitution of Arizona and a municipal corporation for certain purposes of the laws of the State of Arizona (the “State” or “Arizona”). Except as otherwise provided in the Act, the District is considered to be a municipal corporation and political subdivision of the State, separate and apart from the City. The City Council serves as the board of directors of the District (the “Board”) and the City Manager of the City currently serves as the District Manager.

* Preliminary, subject to change.

The District has provided, pursuant to the terms of certain development agreements among the City, the Developer and the District, financing for the acquisition of certain public infrastructure necessary for development of the land within the boundaries of the District. See “LAND DEVELOPMENT” and “THE PUBLIC INFRASTRUCTURE.” The District has the authority to issue general obligation bonds payable from *ad valorem* taxes levied on all taxable property within the boundaries of the District, without limitation as to rate or amount, to finance, among other things, the acquisition costs of public infrastructure purposes within the District, including incidental costs and the costs of issuing bonds. The District also levies a \$0.30 *ad valorem* tax per \$100 of secondary assessed valuation, the proceeds of which are used to pay a portion of the operation and maintenance expenses of the District and the public infrastructure financed by the District.

INVESTOR SUITABILITY STANDARDS AND TRANSFER RESTRICTIONS

Beneficial interests with respect to the Bonds may be purchased only by Qualified Investors. As used herein, “Qualified Investor” means any purchaser which is a “qualified institutional investor” as defined in Rule 144A under the federal Securities Act of 1933, as amended, or an “accredited investor” (excluding natural persons) as defined in Rule 501 of Regulation D of the United States Securities Exchange Commission, either of which is purchasing an interest through a broker-dealer. A letter in the form set forth in APPENDIX E must be provided by all Qualified Investors in connection with investment as part of the initial sale and delivery of the Bonds. Additionally, there are restrictions on the transferability of the Bonds as further described in APPENDIX E.

Prior to either (a) the District being informed that the Bonds have received (i) a rating from a Rating Agency of “AAA” or “AA” or (ii) a rating from a Rating Agency of “A” or “BBB” and written approval of the Board or (b) the Bonds being defeased pursuant to the terms of the hereinafter described Bond Resolution, beneficial interests in the Bonds owned by Qualified Investors will be transferable only to Qualified Investors through transactions utilizing a broker-dealer. Any owner that is a Qualified Investor of a beneficial interest in a Bond by its acceptance of such interest agrees that it will not transfer such interest to a person other than a Qualified Investor through transactions utilizing a broker-dealer and any broker-dealer acquiring such beneficial interest shall only sell or transfer such interest to a Qualified Investor.

THE BONDS

Authorization and Purpose

The Bonds are authorized pursuant to the Act and an election held on May 17, 2012 (the “Election”) and will be issued pursuant to a resolution adopted by the Board on May 21, 2015* (the “Bond Resolution”). The Bonds will be the second series issued pursuant to the authorization approved by the Election, and, after issuance of the Bonds, \$427,150,000* principal amount of such general obligation bonds will remain authorized but unissued. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS - Ad Valorem Property Taxation in the District” and “OVERLAPPING, ADDITIONAL OVERLAPPING AND OTHER DEBT AND OTHER OVERLAPPING TAXES - Additional General Obligation Bonded Indebtedness of the District.” The Bonds are being issued in order to acquire certain road and park improvements within the District. See “THE PUBLIC INFRASTRUCTURE.”

General Description

The Bonds will be dated the date of their initial delivery, and will mature and bear interest as set forth on the inside front cover page of this Limited Offering Memorandum.

Interest on the Bonds will be paid semiannually on January 15 and July 15 of each year, commencing January 15, 2016* (each such date being referred to herein as an “Interest Payment Date”). The Bonds will bear interest from

* Preliminary, subject to change.

the most recent Interest Payment Date to which interest has been paid or duly provided for or, if no interest has been paid, from the date of their initial delivery, calculated on the basis of a 360-day year of twelve 30-day months.

The principal of, redemption price for and interest on the Bonds will be payable when due to Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). The District has chosen the fifteenth day of the month preceding an Interest Payment Date as the "Record Date" for the Bonds. DTC will act as the securities depository of the Bonds for a book-entry-only system. The Bonds will be available initially to Qualified Investors under such system in amounts of \$100,000 and integral multiples of \$5,000 of principal in excess thereof due on specified maturity dates. Thereafter, the Bonds shall be denominated as further provided for in the Bond Resolution. No document of any nature whatsoever need be surrendered as a condition to payment of the principal and interest on the Bonds. See APPENDIX C - "BOOK-ENTRY-ONLY SYSTEM."

Bond Registrar and Paying Agent

U.S. Bank National Association will serve as the initial bond registrar, transfer agent and paying agent (the "Bond Registrar and Paying Agent") for the Bonds. The District may change the Bond Registrar and Paying Agent without notice to or consent of the owners of the Bonds.

Redemption Provisions*

Optional Redemption. The Bonds will be subject to redemption prior to maturity, at the option of the District, on or after July 15, 2025, in whole or in part on any date, at the redemption price of the principal amount of the Bonds or portion thereof being redeemed plus accrued interest to the redemption date, but without premium.

Mandatory Redemption. The Bonds maturing on July 15 of the following years will be redeemed from funds of the District prior to maturity on the following redemption dates and in the following amounts, upon payment of the Redemption Price which consists of the principal amount of the Bonds so redeemed plus accrued interest, if any, on the Bonds so redeemed from the most recent Interest Payment Date to the redemption date, but without premium:

<u>Redemption Date</u> <u>(July 15)</u>	<u>Principal Amount</u> <u>Redeemed</u>
Term Bond Maturing 20__	
20__	\$ _____
20__	_____
20__ (maturity)	_____
Term Bond Maturing 20__	
20__	\$ _____
20__	_____
20__ (maturity)	_____

Whenever Bonds are redeemed (other than pursuant to mandatory redemption) or are delivered to the Bond Registrar and Paying Agent for cancellation, the principal amount of the Bonds of such maturity so retired shall satisfy and be credited against the mandatory redemption requirements for such maturity on a pro rata basis, to the extent practicable provided, however, that each remaining mandatory payment shall be in an amount of at least \$5,000 of principal.

Effect of Redemption. If on the date of redemption of the Bonds sufficient moneys for payment of the redemption price and accrued interest are held by the Bond Registrar and Paying Agent, interest on the Bonds so called for redemption will cease to accrue and such Bonds will cease to be entitled to any benefit or security under the Bond Resolution except the right to receive payment from the moneys held for such Bonds.

SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS

General

The Board will annually levy and cause 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 District, sufficient, together with any amounts from the sources described in the Act and available pursuant to the Bond Resolution, to pay debt service with respect to the Bonds (whether at maturity or prior redemption) when due. The Bonds will be payable from such taxes on the same basis as issues of general obligation bonds of the District which may be issued in the future. The Board also levies an additional *ad valorem* tax of \$0.30 per \$100 of secondary assessed valuation which amount will be used for operation and maintenance expenses of the District. See “OVERLAPPING, ADDITIONAL OVERLAPPING AND OTHER DEBT AND OTHER OVERLAPPING TAXES - Additional General Obligation Bonded Indebtedness of the District.”

NEITHER THE FULL FAITH AND CREDIT NOR THE GENERAL TAXING POWER OF THE CITY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) IS PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE OBLIGATIONS OF THE DISTRICT ONLY. NONE OF THE CITY, THE STATE, OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE DISTRICT) WILL HAVE ANY OBLIGATION WITH RESPECT TO THE PAYMENT OF DEBT SERVICE FOR THE BONDS.

Ad Valorem Property Taxation in the District

At the general election held November 6, 2012, the voters of the State ratified Senate Concurrent Resolution 1025, which amends a provision of the Arizona Constitution relating to the State’s property tax system. Beginning in tax year 2015 (for operations during the District’s fiscal year 2015-16), and for tax years thereafter, the constitutional amendment will limit the value of real property and improvements, including mobile homes, used for all *ad valorem* tax purposes (both primary and secondary tax purposes) to the lesser of the full cash value of the property or an amount five percent greater than the taxable value of property determined for the prior year. The foregoing limitation does not apply to (1) equalization orders that the Arizona Legislature exempts from such limitation; (2) property used in the business of patented or unpatented producing mines, mills and smelters; (3) producing oil, gas and geothermal interests; (4) real property and improvements used for operation of telephone, telegraph, gas, water and electric utilities; (5) aircraft that is regularly scheduled and operated by an aircraft company; (6) standing timber; (7) pipelines; and (8) personal property, except mobile homes. Statutory amendments to implement this Constitutional amendment were enacted in the 2013 legislative session.

The information which follows under the heading “Ad Valorem Property Taxation in the District” summarizes the assessment, levy and collection process as it currently exists.

General. For tax purposes in Arizona, real property is either valued by the Assessor of Maricopa County, Arizona (the “County”) or the Arizona Department of Revenue. Property valued by the Arizona Department of Revenue is referred to as “centrally valued” property and is generally large mine and utility entities. Property valued by the Assessor of the County is referred to as “locally assessed” property and generally encompasses residential, agricultural and traditional commercial and industrial property.

While locally assessed property in the State has two different values, “limited property value” and “full cash value,” only the limited property value is used as the basis for taxation. The full cash value is maintained and used as the benchmark for determining the taxable value. For tax year 2015 and subsequent tax years, the limited property value of real property and improvements, including mobile homes, used for all *ad valorem* property tax purposes (both primary and secondary as hereinafter described) is limited by the Arizona Constitution to the lesser of the full cash value of the property or an amount five percent greater than the limited property value of the property determined for the prior year. Such limitation on increase in value does not apply to certain types of property set forth in the Arizona Constitution and the Arizona Revised Statutes. For centrally valued property and personal property (except mobile homes), the full cash value of the property is used as the basis for taxation.

Prior to tax year 2015, the value of real property and improvements, including mobile homes, used for primary *ad valorem* property tax purposes was limited property value and for secondary *ad valorem* tax purposes was full cash value. Limited property value for property in existence in the prior year that did not undergo modification through construction, destruction, split or change in use increased by the greater of either 10% of the prior year's limited property value or 25% of the difference between the prior year's limited property value and the current year's full cash value. Increases in full cash value were not limited.

Determination of Full Cash Value. The first step in the tax process is the determination of the full cash value of each parcel of real property within the State. Full cash value is statutorily defined to mean "the value determined as prescribed by statute" or if no statutory method is prescribed it is "synonymous with market value which means that estimate of value that is derived annually by using standard appraisal methods and techniques," which generally include the market approach, the cost approach and the income approach. In general, the Assessor of the County uses a cost approach to value commercial/industrial property and a market approach to value residential property. State law allows taxpayers to appeal such full cash valuations by providing evidence of a lower value, which may be based upon another valuation approach.

The Assessor of the County, upon meeting certain conditions, may value residential, agricultural and vacant land property classifications at the same full cash value for up to three years. The Assessor of the County currently values existing properties on a two-year cycle.

Certain residential property owners 65 years of age and older may obtain a property valuation "freeze" against valuation increases (the "Property Valuation Protection Option") if the owners total income from all sources does not exceed 400% (500% for two or more owners of the same property) of the "Social Security Income Benefit Rate." The Property Valuation Protection Option must be renewed every three years. If the property is sold to a person who does not qualify, the property reverts to its current full cash value. Any freeze on increases in property value will, as a result, freeze the assessed value of the affected property for both primary and secondary tax purposes, as hereinafter described.

Property Classification and Assessment Ratios. All property, both real and personal, is assigned a classification (defined by property use) and related assessment ratio that is multiplied by the taxable value of the property to obtain the assessed valuation. The assessment ratios for each property classification are set forth by tax year in the following table.

TABLE 1
Property Tax Assessment Ratios (Tax Year)

Property Classification (a)	2011	2012	2013	2014	2015
Mining, Utility, Commercial and Industrial (b)	20%	20%	19.5%	19.0%	18.5%
Agriculture and Vacant Land (b)	16	16	16	16	16
Owner Occupied Residential	10	10	10	10	10
Leased or Rented Residential	10	10	10	10	10
Railroad, Private car Company and Airline Flight Property (c)	15	15	15	15	15

- (a) Additional property classifications exist, but seldom amount to a significant portion of a municipal body's total valuation.
- (b) For tax year 2015, full cash values up to \$146,973 on commercial, industrial and agricultural personal property are exempt from taxation. For tax year 2014, full cash values up to \$141,385 on commercial, industrial and agricultural personal property were exempt from taxation. This exemption is indexed annually for inflation. Any portion of the full cash value in excess of that amount will be assessed at the applicable rate. The assessment ratio for mining, utilities, commercial and industrial property will be reduced to 18% for tax year 2016 and thereafter. The assessment ratio for agricultural and vacant property will be reduced to 15% for tax year 2016 and thereafter.

- (c) This percentage is determined annually to be equal to the ratio of (i) the total assessed valuation of all mining, utility, commercial, industrial and military reuse zone properties, agricultural personal property and certain leasehold personal property to (ii) the total full cash (market) value of such properties.

Primary Taxes. Taxes levied for the maintenance and operation of counties, cities, towns, school districts, community college districts and the State are primary taxes. These taxes are levied against the assessed valuation of the property (taxable property value multiplied by the appropriate property classification assessment ratio).

The primary taxes levied by each county, city, town and community college district are constitutionally limited to a maximum increase of 2% over the prior year's levy plus any taxes on property not subject to taxation in the preceding year (e.g., new construction and property brought into the jurisdiction because of annexation). The 2% limitation does not apply to primary taxes levied on behalf of school districts.

Primary taxes on residential property only are constitutionally limited to 1% of the limited value of such property.

Secondary Taxes. Taxes levied for debt retirement (e.g., debt service on the Bonds), voter-approved budget overrides and the maintenance and operation of special service districts such as sanitary, fire and road improvement districts are secondary taxes. These taxes are also levied against the assessed valuation of the property (taxable property value multiplied by the appropriate property classification assessment ratio) as described above. There is no constitutional or statutory limitation on annual levies for voter-approved bond indebtedness and special district assessments.

Tax Procedures. The State tax year has been defined as the calendar year, notwithstanding the fact that these tax procedures begin prior to January 1 of the tax year and continue through May of the succeeding calendar year.

On or before the third Monday in August each year the Board of Supervisors of the County prepares the tax roll setting forth the valuation by taxing district of all property in the County subject to taxation. The Assessor of the County is required to complete the assessment roll by December 15th of the year prior to the levy. This tax roll also shows the valuation and classification of each parcel of land located within the County for the tax year. The tax roll is then forwarded to the Treasurer of the County.

With the various budgetary procedures having been completed by the governmental entities, the appropriate tax rate for each jurisdiction is then applied to the parcel of property in order to determine the total tax owed by each property owner. Any subsequent decrease in the value of the tax roll as it existed on the date of the tax levy due to appeals or other reasons would reduce the amount of taxes received by each jurisdiction.

The property tax lien on real property attaches on January 1 of the year the tax is levied. Such lien is prior and superior to all other liens and encumbrances on the property subject to such tax except liens or encumbrances held by the State or liens for taxes accruing in any other years.

Delinquent Tax Procedures. The property taxes due the District are billed, along with State and other taxes, each September and are due and payable in two installments on October 1 and March 1 and become delinquent on November 1 and May 1, respectively. Delinquent taxes are subject to an interest penalty of 16% per annum prorated monthly as of the first day of the month. (Delinquent interest is waived if a taxpayer, delinquent as to the November 1 payment, pays the entire year's tax bill by December 31.) After the close of the tax collection period, the Treasurer of the County prepares a delinquent property tax list and the property so listed is subject to a tax lien sale in February of the succeeding year. In the event that there is no purchaser for the tax lien at the sale, the tax lien is assigned to the State, and the property is reoffered for sale from time to time until such time as it is sold, subject to redemption, for an amount sufficient to cover all delinquent taxes.

After three years from the sale of the tax lien, the tax lien certificate holder may bring an action in a court of competent jurisdiction to foreclose the right of redemption and, if the delinquent taxes plus accrued interest are not paid by the owner of record or any entity having a right to redeem, a judgment is entered ordering the Treasurer of the County to deliver a treasurer's deed to the certificate holder as prescribed by law.

In the event of bankruptcy of a taxpayer pursuant to the United States Bankruptcy Code (the "Bankruptcy Code"), the law is currently unsettled as to whether a lien can attach against the taxpayer's property for property taxes levied

during the pendency of bankruptcy. Such taxes might constitute an unsecured and possibly non-interest bearing administrative expense payable only to the extent that the secured creditors of a taxpayer are oversecured, and then possibly only on the prorated basis with other allowed administrative claims. It cannot be determined, therefore, what adverse impact bankruptcy might have on the ability to collect *ad valorem* taxes on property of a taxpayer within the District. Proceeds to pay such taxes come only from the taxpayer or from a sale of the tax lien on delinquent property.

When a debtor files or is forced into bankruptcy, any act to obtain possession of the debtor's estate, any act to create or perfect any lien against the property of the debtor or any act to collect, assess or recover a claim against the debtor that arose before the commencement of the bankruptcy is stayed pursuant to the Bankruptcy Code. While the automatic stay of a bankruptcy court may not prevent the sale of tax liens against the real property of a bankrupt taxpayer, the judicial or administrative foreclosure of a tax lien against the real property of a debtor would be subject to the stay of bankruptcy court. It is reasonable to conclude that "tax sale investors" may be reluctant to purchase tax liens under such circumstances, and, therefore, the timeliness of the payment of post-bankruptcy petition tax collections becomes uncertain.

It cannot be determined what impact any deterioration of the financial conditions of any taxpayer, whether or not protection under the Bankruptcy Code is sought, may have on payment of, or the secondary market for, the Bonds. None of the District, the Underwriter or their respective agents or consultants has undertaken any independent investigation of the operations and financial condition of any taxpayer, nor have they assumed responsibility for the same.

In the event the County is expressly enjoined or prohibited by law from collecting taxes due from any taxpayer, such as may result from the bankruptcy of a taxpayer, any resulting deficiency could be collected in subsequent tax years by adjusting the District's tax rate charged to non-bankrupt taxpayers during such subsequent tax years.

Property Valuations. The full cash value and secondary assessed value of taxable property within the boundaries of the District for the indicated tax years are shown in the table below:

TABLE 2

Fiscal Year	Limited Value	Net Primary Assessed Value	Full Cash Value	Net Secondary Assessed Value
2015-16	\$155,391,296	\$19,763,210	\$193,137,445	\$25,337,098
2014-15			54,606,979	7,997,436
2013-14			4,263,851	682,217

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- (a) Estimated net full cash value is the total market value of the property within the District less the exempt property within the District.
- (b) Represents estimated property values for the District for the 2015-16 Fiscal Year as provided by the Assessor of the County and the Arizona Department of Revenue as of February 20, 2015. These values are preliminary and subject to change until finalized by the County Board of Supervisors no later than August 17, 2015.

Source: *Property Tax Rates & Assessed Values*, Arizona Tax Research Association and Maricopa County Assessor's Office.

Net Secondary Assessed Valuation by Property Classification. The following is a breakdown of the above described secondary assessed valuation by property classifications:

TABLE 3

Legal Class	Description	Net Secondary Assessed Valuation 2013-14	2013-14 Percent of Total	Net Secondary Assessed Valuation 2014-15	2014-15 Percent of Total	Net Secondary Assessed Valuation 2015-16 (a)	2015-16 Percent of Total
1	Commercial, industrial, utilities & mines	N/A	0.00%	0.00%	\$976,332	12.21%	\$1,121,762
2	Agricultural and vacant	\$682,217	100.00%	100.00%	5,531,354	69.16%	14,687,856
3	Residential (owner occupied)	N/A	0.00	0.00%	663,320	8.29%	7,509,630
4	Residential (rental)	N/A	0.00	0.00%	826,430	10.33%	2,017,850
Total (b)		\$682,217	100.00%	100.00%	\$7,997,436	100.00%	\$25,337,098

(a) Represents estimated property values for the District for the 2015-16 Fiscal Year as provided by the Assessor of the County and the Arizona Department of Revenue as of February 20, 2015. These values are preliminary and subject to change until finalized by the County Board of Supervisors no later than August 17, 2015.

(b) Totals may not add up due to rounding.

Source: *Property Tax Rates & Assessed Values*, Arizona Tax Research Association and Maricopa County Assessor's Office.

See also in this respect the discussion under the subheading "LAND DEVELOPMENT."

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Net Secondary Assessed Valuations of Major Taxpayers. As reported by the County Assessor, shown below are the major property taxpayers located within the District, the then current net secondary assessed value of their property and its relative proportion of the total net secondary assessed value of property within the District.

TABLE 4

Taxpayer (a)	2014-15 Secondary Assessed Valuation	As % of District's 2014-15 Secondary Assessed Valuation
DMB MESA PROVING GROUNDS LLC	\$1,191,838	14.90%
MARACAY 91 LLC	920,644	11.51%
MERITAGE HOMES OF ARIZONA INC	807,049	10.09%
MATTAMY ARIZONA LLC	805,197	10.07%
BASIS SCHOOLS INC	672,385	8.41%
WOODSIDE TRAILS NORTH AT HORSEMANS PARK LLC	620,122	7.75%
TAYLOR MORRISON/ARIZONA INC	509,329	6.37%
FIRST AMERICAN TITLE INSURANCE COMPANY TR	365,390	4.57%
EM 84 LLC	313,626	3.92%
ARCADIA DMB LAND VENTURES LLC	37,241	0.47%
WOODSIDE HOMES SALES AZ LLC	30,980	0.39%
	<u>\$7,997,436</u>	<u>100.00%</u>

Source: Maricopa County Assessor.

- (a) Some of such taxpayers or their parent companies are subject to the informational requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith file the Filings with the Commission. The Filings may be inspected and copied at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 and at the Commission's regional offices and Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661. Copies of the Filings can be obtained from the public reference section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549 at prescribed rates. In addition, the Filings may also be inspected at the offices of the New York Stock Exchange at 20 Broad Street, New York, New York 10005. The Filings may also be obtained through the Internet on the Commission's EDGAR database at <http://www.sec.gov>. None of the District, the Financial Advisor, the Underwriter (each as defined herein) or their respective agents or consultants has examined the information set forth in the Filings for accuracy or completeness, nor do they assume responsibility for the same. See also "RISK FACTORS – Concentration of Ownership; Subsequent Transfer."

See "RISK FACTORS - General Risks of Real Estate Investment and Development; Certain Factors Which May Adversely Affect Development; Consequences" and "RISK FACTORS - Concentration Of Ownership; Subsequent Transfer."

Record of Taxes Levied and Collected in the District. Under Arizona law, the Board of Supervisors of the County is required to establish and levy a tax in an amount sufficient to satisfy debt service requirements of the District. Property taxes are levied and collected on property within the District and certified by County Treasurer on behalf of the District.

The following table sets forth the tax levy of the District for the indicated tax years.

TABLE 5A

Fiscal Year	Real and Secured Personal Property Tax Levy	Fiscal Year Collections (a)		Total Collections (b)	
		Amount	Percent of Tax Levy	Amount (d)	Percent of Tax Levy
2014-15	\$251,962	(c)	(c)	\$136,194	54.05%
2013-14	2,047	\$ 2,047	100.00%	2,047	100.00

- (a) Reflects collections made through June 30, the end of the fiscal year, on such year's levy. Property taxes are payable in two installments. The first installment is due on October 1 and becomes delinquent on November 1; the second installment is due on March 1 and becomes delinquent on May 1. Delinquent taxes are subject to an interest and penalty charge of 16% per annum, which is prorated at a monthly rate of 1.33%. Interest and penalty collections for delinquent taxes are not included in the collection figures above but are deposited in the County's General Fund. Interest and penalties with respect to the first half tax collections (delinquent November 1) are waived if the full year's taxes are paid by December 31.
- (b) Tax levy is as reported by the County Treasurer as of August of each tax year. Amount does not include adjustments made to levy amounts after the August report. The District's tax rate includes the amount necessary for debt service as well as a \$0.30 tax rate for maintenance and operation expenses for the District. The District's tax rate for fiscal year 2014-15 is \$3.30.
- (c) 2014-15 taxes in course of collection.
- (d) Collections are through March, 2015.

Source: Maricopa County Treasurer's Office.

Tax Rate Data. The tax rates provided below reflect the secondary tax rate levied within the District for the current year and the projected rate for the upcoming 2015-16 fiscal year.

TABLE 5B

Fiscal Year	Secondary Tax Rate
2014-15	\$3.44
2013-14	0.30

Source: *Property Tax Rates and Assessed Values*, Arizona Tax Research Foundation.

General Obligation Bonded Indebtedness Outstanding and to be Outstanding.

TABLE 5C

Date of Issue	Original Amount	Description	Remaining Maturity Dates	Balance Outstanding
06/10/2014	\$3,250,000	New Money	2015 - 2038	\$3,250,000
Total Direct General Obligation Bonded Debt Outstanding				\$3,250,000
Plus: The Bonds				4,600,000*
Total				\$7,850,000*

* Preliminary, subject to change.

Annual Debt Service Requirements of General Obligation Bonded Indebtedness Outstanding and To Be Outstanding. The District will have the following annual debt service requirements after the issuance of the Bonds:

TABLE 6

Fiscal Year Ending (July 15)	Currently Outstanding General Obligation Bond Debt Service	Debt Service Requirements for the Bonds		Total Estimated Combined Debt Service Requirements*
		Principal*	Interest (a)(b)	
2015	\$236,386			\$236,386
2016	234,250	\$85,000	\$242,694	561,944
2017	236,850	110,000	214,788	561,638
2018	234,300	115,000	210,388	559,688
2019	236,750	120,000	205,788	562,538
2020	237,250	125,000	200,988	563,238
2021	237,500	125,000	195,988	558,488
2022	232,500	135,000	190,988	558,488
2023	232,500	145,000	185,588	563,088
2024	237,250	145,000	179,788	562,038
2025	236,500	150,000	173,625	560,125
2026	235,500	160,000	167,250	562,750
2027	234,250	165,000	159,250	558,500
2028	232,750	175,000	151,000	558,750
2029	236,000	185,000	142,250	563,250
2030	233,750	195,000	133,000	561,750
2031	236,250	200,000	123,250	559,500
2032	233,250	215,000	113,250	561,500
2033	235,000	225,000	102,500	562,500
2034	236,250	235,000	91,250	562,500
2035	237,000	245,000	79,500	561,500
2036	237,250	255,000	67,250	559,500
2037	237,000	270,000	54,500	561,500
2038	236,250	285,000	41,000	562,250
2039		535,000	26,750	561,750
	<u>\$5,652,536</u>	<u>\$4,600,000</u>	<u>\$3,452,619</u>	<u>\$13,705,159</u>

(a) Interest is estimated at 5.00%.

(b) The first interest payment on the Bonds will be due on January 15, 2016*. Thereafter, interest payments will be made semiannually on July 15 and January 15 until maturity or prior redemption.

* Preliminary, subject to change.

OVERLAPPING, ADDITIONAL OVERLAPPING AND OTHER DEBT AND OTHER OVERLAPPING TAXES

Overlapping General Obligation Bonded Indebtedness

Overlapping general obligation bonded indebtedness is shown below including a breakdown of each overlapping jurisdiction's applicable general obligation bonded indebtedness, net assessed valuation and combined tax rate per \$100 assessed valuation. Outstanding bonded indebtedness is comprised of general obligation bonds outstanding and general obligation bonds scheduled for sale. The applicable percentage of each jurisdiction's assessed valuation which lies within the District's boundaries was derived from information obtained from the County Assessor. See "RISK FACTORS - Direct and Overlapping Indebtedness and Taxes."

TABLE 7

Jurisdiction	2014-15 Net Secondary Assessed Valuation	General Obligation Bonded Debt Outstanding (a)	Portion Applicable to the District		Combined Tax Rate Per \$1000 Assessed Valuation (b)
			Percent	Net Debt Amount	
State of Arizona	\$55,352,051,074	None	0.014%	None	\$0.0000
Maricopa County	35,079,646,593	None	0.023%	None	2.3615
Maricopa County Community College District	35,079,646,593	\$654,190,000	0.023%	\$149,142	1.5187
Eastern Valley Institute of Technology District No. 401 (EVIT)	15,353,630,627	None	0.052%	None	0.0500
Queen Creek Unified School District No. 95	296,586,968	32,430,000	1.256%	407,321	6.5475
Gilbert Unified School District No. 41	1,596,222,809	116,680,000	0.045%	52,506	7.2284
City of Mesa (d)	2,821,172,754	344,645,000	0.283%	976,997	1.1853
Eastmark Community Facilities District (e)	7,997,436	3,250,000	100.000%	3,250,000	3.4397
Total Net Direct and Overlapping General Obligation Bonded Debt				<u><u>\$4,835,966</u></u>	

- (a) Includes total stated principal amount of general obligation bonds outstanding. Does not include outstanding principal amount of certificates of participation, revenue obligations or loan obligations outstanding for the jurisdictions listed above. Does not include outstanding principal amounts of various County improvement districts, as the obligations of these districts are presently being paid from special assessments against property within the various improvement districts.

Also excludes the principal amount of improvement districts' bonds outstanding of various jurisdictions that are secured by special assessments levied against property owners residing within the respective improvement districts. Bonds supported from enterprise revenues are also excluded. Also does not include the obligation of the Central Arizona Water Conservation District ("CAWCD") to the United States of America, Department of the Interior, for repayment of certain capital costs for construction of the Central Arizona Project ("CAP"), a major reclamation project that has been substantially completed by the U.S. Department of the Interior to deliver Colorado River water to central Arizona down to Tucson. The obligation is evidenced by a master contract between CAWCD and the Department of the Interior. CAWCD was formed for the express purpose of paying administrative costs and expenses of the CAP and to assist in the repayment to Arizona's portion of the costs reimbursable to the federal government. Repayment will be made from a combination of power revenues, subcontract revenues (i.e., agreements with municipal, industrial and agricultural water users for delivery of CAP water) and a tax levy against all taxable property within CAWCD's boundaries. The tax levy is limited to 14 cents per \$100 of secondary assessed valuation, of which 14 cents is being currently levied. (See Arizona Revised Statutes, Section 48-3715 *et. seq.*) There can be no assurance that such levy limit will not be increased or removed at any

time during the life of the contract. CAWCD is a multi-county water conservation district having boundaries coterminous with the exterior boundaries of Arizona's Maricopa, Pima and Pinal Counties. It was formed for the express purpose of paying administrative costs and expenses of the CAP and to assist in the repayment to the United States of the CAP capital costs. Repayment will be made from a combination of power revenues, subcontract revenues (i.e., agreements with municipal, industrial and agricultural water users for delivery of CAP water) and a tax levy against all taxable property within CAWCD's boundaries.

This table also does not include the obligation of the Maricopa County Flood Control District to contribute \$80 million to CAP. The Flood Control District's sole source of revenue to pay the contribution will be raised from *ad valorem* taxes.

- (b) The combined tax rate includes the tax rate for debt service payments and the tax rate for all other purposes such as maintenance and operation and capital outlay.
- (c) The County's tax rate includes the \$0.1856 tax rate of the Maricopa County Health Care District, the \$0.1392 tax rate of the Maricopa County Flood Control District, the \$0.0556 tax rate of the Maricopa County Free Library, the \$0.0113 tax rate for the contribution to the Maricopa County Fire District, the \$0.5089 tax rate of the County Education Equalization and the \$1.3209 tax rate of the County. It should be noted that the County Flood Control District does not levy taxes on personal property.
- (d) The City expects to issue \$13.69 million in additional general obligation bonds in June of 2015.
- (e) Does not include the Bonds. Does not include special assessment revenue bonds outstanding in the aggregate principal amount of \$8,021,000 or other special assessment revenue bonds expected to be issued by the District in 2015. See "Other Debt of the District" herein.

Additional General Obligation Bonded Indebtedness of the District

In addition to the Bonds, the District retains the right to issue, in accordance with the procedures set forth in the Act, additional series of bonds payable from *ad valorem* taxes. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS - Ad Valorem Property Taxation in the District -- General Obligation Bonded Indebtedness Outstanding and to be Outstanding." See also "RISK FACTORS - Direct and Overlapping Indebtedness and Taxes."

The Act provides that the total aggregate outstanding amount of bonds and any other indebtedness for which the full faith and credit of the District are pledged will not exceed 60 percent of the aggregate of the estimated market value of the real property and improvements in the District after the public infrastructure of the District is completed plus the value of the public infrastructure owned or to be acquired by the District with the proceeds of the bonds. (Based solely on the full cash value of the District as reported by the County Assessor, the Board has determined that issuance of the Bonds will meet the test set forth above. See "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS - Ad Valorem Property Taxation in the District -- Determination of Full Cash Value.")

Pursuant to the Election, the District was authorized to incur general obligation bonded indebtedness in an amount not to exceed \$435,000,000 and will have \$427,150,000* of such amount remaining after issuance of the Bonds in order to finance, among other things, the costs of public infrastructure purposes within the District, including incidental costs. Additional indebtedness could be authorized for the District in the future pursuant to other elections.

Additional Overlapping General Obligation Bonded Indebtedness

The District has no control over the amount of additional indebtedness payable from taxes on all or a portion of the property within the District that may be issued in the future by other political subdivisions, including but not limited to the City, the County, Queen Creek Unified School District No. 95, Gilbert Unified School District No. 41, Maricopa County Community College District, East Valley Institute of Technology or other entities having jurisdiction over all or a portion of the land within the District. Additional indebtedness could be authorized for

* Preliminary, subject to change.

such overlapping jurisdictions in the future. **See “RISK FACTORS - Direct and Overlapping Indebtedness and Taxes.”**

Other Debt of the District

In 2013, the District sold and issued \$2,712,000 in aggregate principal amount of special assessment revenue bonds related to Assessment District No. 1 in the District, of which \$2,650,000 in aggregate principal amount remains outstanding (the “Series 2013 Assessment Bonds”). In 2014, the District sold and issued \$3,367,000 in aggregate principal amount of special assessment revenue bonds related to Assessment District No. 2 in the District, of which \$3,367,000 in aggregate principal amount remains outstanding (the “Series 2014 Assessment Bonds”). In 2015, the District sold and issued \$1,942,000 in aggregate principal amount of special assessment revenue bonds related to Assessment District No. 3 in the District, of which \$1,942,000 in aggregate principal amount remains outstanding (together with the Series 2013 Assessment Bonds and the Series 2014 Assessment Bonds, the “Existing Assessment Bonds”).

The Existing Assessment Bonds were issued to finance costs to acquire certain public infrastructure for development of land in the District. All of the infrastructure financed with the proceeds of the Existing Assessment Bonds has been or will be dedicated to the City.

Other series of assessment bonds payable solely from and secured by special, separate funds established and maintained by the District from installments due with respect to certain other special assessments may be issued by the District in the future. The District expects to issue Special Assessment Revenue Bonds with respect to Assessment District No. 4 in the District this year.

The term “special assessments” as used hereinabove refers to the assessments which would be levied and assessed by the District in the related assessment area which would encompass portions of the District, each of which would constitute a first lien on the parcel so levied and assessed, subordinate and subject only to general property taxes (including that for the Bonds) and prior special assessments. The per lot assessment is approximately \$3,500 payable with interest in installments. If a lot owner fails to pay an assessment installment when due the lot can be offered for sale by the District for the amount of the assessment together with interest, costs and penalties. Neither the District nor the City is obligated to bid at the sale. The lien for the property taxes levied to pay the Bonds is senior to the lien of such assessments; however, the lien for such assessments is not extinguished by foreclosure with regard to taxes. There can be no assurance that additional amounts of such bonds payable from special assessments will not be issued in the future, increasing the amount of liens on property in the District for such purposes. **SEE “RISK FACTORS – Direct and Overlapping Indebtedness and Taxes.”**

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LAND DEVELOPMENT

The information contained in this section relates to and has been obtained from the Developer and neither the District nor the Underwriter assumes any responsibility for the accuracy or completeness thereof. The information included under the heading “RISK FACTORS” as it relates to the information contained under this heading is hereby incorporated under this heading by this reference.

In General

The General Motors Proving Grounds (now Eastmark) was purchased by the Developer in December 2006, and the property was successfully rezoned to include flexible mixed-uses for both residential and commercial.

Eastmark is planned to include ultimately, among other uses, approximately 2,040 acres of single-family residential units and approximately 130 acres of commercial and other use. (See maps at pages (ii) and (iii) for the location of the District.) The major components of the infrastructure necessary for development of the District are described under the heading “THE PUBLIC INFRASTRUCTURE.”

Eastmark is subject to a Community Plan adopted by the City in October of 2008 and a Pre-Annexation and Development Agreement, by and between the City and the Developer dated November 3, 2008, recorded on November 13, 2008, in the official records of the County as Instrument No. 2008-0974930 (the “Land Development Agreement”), which addresses the rights of the Developer to develop the property as provided in and subject to the conditions of such agreement. (The Land Development Agreement has been modified by way of a recorded amendment, dated May 16, 2011, and a recorded amendment, dated November 21, 2013.) The Land Development Agreement addresses various issues often times made the subject of development agreements in Arizona, such as, among other things City services, reimbursements to the Developer for certain public infrastructure, the City’s processing of plans and permits, and public bidding. The Land Development Agreement, as amended, also addresses the legal right to obtain and legal obligation to provide potable water and the required capital and operations contributions to the City for water, sewer, police and fire services within the District. Police, fire and sanitation services are provided to the District by the City. The Developer is obligated to assist in the funding of certain capital and operational costs associated with the provision of water, sewer, police and fire protection within the District.

Although the number of acres devoted to each particular land use may ultimately vary from those presented, the development of the District is currently expected to include the following land uses:

TABLE 8

Total Project	Approximate District Acres
Single Family Residential	2,040
Non-residential (a)	130
Total	2,170

(a) Includes churches, police and fire stations, schools, civic and commercial.

Development of the property within the District and construction of homes and infrastructure is subject to obtaining various development and construction approvals and permits. As a condition to the sale of homes in the District, homebuilders will be required to obtain building and any additional permits required for the construction and completion of all such homes and certain other infrastructure.

The Developer is responsible for the construction of all offsite infrastructure and subdivision improvements and neighborhood parks and entry improvements. Homebuilders are responsible for subdivision improvements necessary to deliver fully finished lots. Single family residences will be constructed by homebuilders.

Description of DMB Associates

The project manager for the Developer is DMB. DMB is a privately held, diversified real estate investment and development firm with real estate holdings through affiliated ventures that include residential communities, commercial developments and golf course properties located in Arizona, California, Hawaii, and Utah. Formed in 1984, DMB's early activities focused on commercial development, including the 1.2 million square-foot Centerpoint project in Tempe, Arizona.

In the early 1990s, DMB broadened its focus to include forming joint ventures to develop master planned communities. In most cases, a DMB managed entity partners with a landowner and/or investors to develop these projects. DMB affiliated entities have developed or are currently developing 11 different master planned communities besides Eastmark.

The District

Eastmark is entitled for 15,000 homes and, to date, in excess of 3,500 residential lots have been sold to homebuilders and one developer. The first phase of residential development commenced in June 2013, consisting of 775 single family detached lots and 14 neighborhood parks, the first 10 acres of the Great Park (90 acres at build out) and the Eastmark Community Welcome Center. All of the first phase residential lots were sold to seven homebuilders (Meritage, Maracay, Mattamy, Ryland, Standard Pacific, Taylor Morrison and Woodside), which, as of April 2015, have sold and closed 553 and 346 homes, respectively to residential buyers. The second phase of residential development consists of 963 lots and, as of February 10, 2015, 614 lots have been sold to six different homebuilders (Taylor Morrison, Woodside, William Ryan, Maracay, Mattamy and Shea). The remaining 349 lots are either (i) in escrow with existing homebuilders or (ii) being marketed to other potential homebuilders.

South of Ray Road, an approximately 93-acre parcel planned to include 385 lots was sold to Meritage Homes, for conventional single family detached development. The Meritage parcel is under active development planning with sales to home buyers currently expected to commence during calendar year 2015.

Another approximately 530-acre parcel south of Ray Road, planned to include 1,440 residential lots, is being developed by JEN Arizona 4, LLC and AVH EM, LLC, respectively, as the Estates at Eastmark and Encore at Eastmark. The Estates at Eastmark is targeted to move-up and executive home buyers, with 535 home sites and sales to home buyers expected to commence in 2015. Encore at Eastmark, an age-restricted active adult community, includes 905 home sites with sales to home buyers commencing in March 2015.

In addition to residential development, a neighborhood retail center is in the early planning stages with development targeted for 2017 subject to obtaining binding tenant commitments.

Grand Canyon University ("GCU"), a private higher education institution operating an existing campus in the Phoenix metropolitan area had previously announced plans to purchase and develop a 100+ acre campus at Eastmark. The initial plans had called for an opening in late 2015. At the current time, GCU has determined to pursue other options and is no longer planning an expansion campus within Eastmark.

In November 2013, an affiliate of Apple Inc. acquired the former First Solar manufacturing facility, and Apple Inc. announced its intention to repurpose the facility to produce high-tech glass products. While the conversion of the facility is complete, in February of 2015, Apple Inc. announced plans to further repurpose and expand the facility to be used by Apple Inc. as a Global Command Center/Data Facility. The expansion is currently expected to be completed by 2016 (Although this facility is located in Eastmark, the site is outside the boundaries of the District).

Utility Services. Wastewater collection and treatment and potable water production and distribution are provided by the City. Electrical service for the District is provided by Salt River Project. Telephone service is provided by Century Link. Cable service is provided by Cox Communications.

Schools. The District is located in Queen Creek Unified School District No. 95 and Gilbert Unified School District No. 41. The Queen Creek Unified School District No. 95 is currently building an additional school near the Eastmark boundaries. Additionally, the charter operator BASIS opened a 5th through 12th grade school within the

District called BASIS Mesa at Eastmark in August 2013 and the charter operator Edkey opened a kindergarten through 6th grade school within the District called Sequoia Pathfinder Academy in August 2014.

THE PUBLIC INFRASTRUCTURE

The information contained in this section relates to and has been obtained from the Developer, unless otherwise sourced or noted, and neither the District nor the Underwriter assumes any responsibility for the accuracy or completeness thereof. The information included under the heading "RISK FACTORS" as it relates to the information contained under this heading is hereby incorporated under this heading by this reference.

ACQUISITION PROJECT DESCRIPTION	TOTAL ESTIMATED COST	CERTIFIED ENGINEER'S COST	TO BE PAID BY THE BONDS	PAID BY PRIOR BONDS	ELIGIBLE FOR FUNDING FROM FUTURE BONDS	COMPLETION DATE
1. Ray Road Phase 1 Project CP016 (S828)	\$6,709,511	\$6,709,511	\$_____	\$3,135,500	\$_____	June 2013
Construction of a new major arterial roadway within the District consisting of approximately 2 miles of half street improvements. These improvements include water, non-potable water, water valves, fire hydrants, storm drain, storm drain manholes, concrete catch basins, vertical concrete curb and gutter, concrete sidewalk, concrete ramps with truncated domes, paving, striping, street lights, public signage, landscaping and irrigation, reinforced concrete triple box culvert, reinforced concrete channel weir structure, drywells, and conduit for future traffic signalization. The roadway consists of three paved lanes made up of 5 ½" of asphaltic concrete over 10" of aggregate base course, together with vertical curb for the raised/landscaped median. All improvements are shown on the approved plans dated 7-25-12 by the City, which may be amended from time to time to allow for additional property uses adjacent to Ray Road that are not yet known.						
2. Signal Butte Phase 1 Project CP0168 (S831)	\$2,411,089	\$2,411,089	\$_____	\$0	\$_____	June 2013
Construction of a new major arterial roadway within the District consisting of approximately ½ mile of half street improvements. These improvements include water, waterline casing, water valves, fire hydrants, storm drain, storm drain manholes, concrete catch basins, vertical concrete curb and gutter, concrete sidewalk, concrete ramps with truncated domes, paving, striping, street lights, public signage, landscaping and irrigation, two reinforced concrete double box culverts, gabion retaining walls, and conduit for future traffic signalization. The roadway consists of three paved lanes made up of 5 ½" of asphaltic concrete over 10" of aggregate base course. All improvements are shown on the approved plans dated 7-25-12 by the City, which may be amended from time to time to allow for additional property uses adjacent to Signal Butte that are not yet known.						
3. Great Park Phase 1 Project S833	\$2,570,087	\$2,570,087	\$_____	\$0	\$_____	June 2013
Construction of a new public park within the District consisting of approximately 8 acres of park improvements. These improvements include water, non-potable water, water valves, fire hydrants, storm drain bleed lines, concrete sidewalks, concrete multi-use paths, concrete palm plaza, concrete splash pad, concrete masonry unit splash pad equipment enclosure, two concrete masonry unit trash enclosures, paved parking lot, vertical curb in parking lot area, 3 half basketball courts, landscaping and irrigation. All improvements are shown on the approved plans dated 10-18-12 by the City, which may be amended from time to time to allow for future uses.						
TOTAL:	\$11,694,568	\$11,694,568	\$_____	\$3,135,500	\$_____	

[Remainder of page intentionally left blank.]

SOURCES AND APPLICATIONS OF FUNDS

Sources

Par Amount of Bonds	\$ 460,000.00*
[Net] Original Issue [Discount]	
DMB Contribution	
	<hr/>
Total	<hr/> \$

Applications

Acquisition of Public Infrastructure	\$
Costs of Issuance (including Underwriter's Compensation)	
	<hr/>
Total	<hr/> \$

RISK FACTORS

Investment in the Bonds involves a significant degree of risk and is speculative in nature. The Bonds will be secured solely by ad valorem property taxes to be levied on all taxable property within the boundaries of the District. Anyone considering investing in the Bonds should carefully examine this Limited Offering Memorandum, including the Appendices hereto. INVESTMENT IN THE BONDS SHOULD BE UNDERTAKEN ONLY BY PERSONS WHOSE FINANCIAL RESOURCES ARE SUFFICIENT TO ENABLE THEM TO ASSUME SUCH RISK. THIS SECTION SETS FORTH A BRIEF SUMMARY OF SOME OF THE PRINCIPAL RISK FACTORS. PROSPECTIVE INVESTORS SHOULD FULLY UNDERSTAND AND EVALUATE THESE RISKS, IN ADDITION TO THE OTHER FACTORS SET FORTH IN THIS LIMITED OFFERING MEMORANDUM, BEFORE MAKING AN INVESTMENT DECISION.

This discussion of risk factors is not, and is not intended to be, exhaustive, and such risk factors are not necessarily presented in the order of their magnitude.

General Risks of Real Estate Investment and Development; Certain Factors Which May Adversely Affect Development; Consequences

Investments in developing real estate such as undeveloped areas in the District are generally considered to be speculative in nature and to involve a high degree of risk. Owners of land in the District will be subject to the risks generally incidental to real estate investments and development including those described hereinbelow.

Construction of houses on the lots within the District may be affected by changes in the income tax treatment of real property ownership; changes in national, regional and local market and economic conditions; changes in long and short term interest rates; changes in the climate for real estate purchases; changes in demand for or supply of competing properties; unanticipated development costs, market preferences and architectural trends; unforeseen environmental risks and controls; the adverse use of adjacent and neighboring real estate; changes in interest rates and the availability of mortgage funds to buyers of the homes to be built in Eastmark, which may render the sale of such homes difficult or unattractive; acts of war, terrorism or other political instability; delays or inability to obtain governmental approvals; changes in laws; moratorium; force majeure (which may result in uninsured losses); strikes; labor shortages; energy shortages; material shortages; inflation; adverse weather conditions; subcontractor defaults; and other unknown contingencies and factors beyond the control of the

* Preliminary, subject to change.

owners of such land. Land development within the District also could be affected adversely by changes in governmental policies, including, but not limited to, governmental policies to restrict or control development. (Any approvals needed in the future for the development must come from the City, over which the District has no control.)

The residential development business, particularly with respect to communities such as Eastmark, is highly competitive in the Phoenix metropolitan area. The business of merchant builders building in the District will face competition from a number of competitors in the City and other developments throughout the Phoenix metropolitan area, many of which offer or intend to offer lots and parcels in similar communities to a similar target market.

Decreased absorption rates associated with future slowdown could adversely affect land values and reduce the ability or desire of the property owners to pay ad valorem property taxes and assessments. In that event, there could be a default in the payment of principal of and interest on the Bonds.

Vacant lots also provide less security to the holders of the Bonds should it be necessary for the District to foreclose due to nonpayment of ad valorem taxes. An inability to develop the remaining land within the District will likely reduce the diversity of ownership of land within the District, making the holders of the Bonds more dependent upon timely payment of the ad valorem taxes levied on the vacant lots.

Development requires obtaining a variety of governmental approvals and permits. Such approvals and permits are necessary to initiate construction and to allow the sale and occupancy of homes and to satisfy conditions included in the approvals and permits. There can be no assurance that all of these permits and approvals can be obtained or that the conditions to the approvals and permits can be fulfilled. The failure to obtain any of the required approvals or fulfill any one of the conditions could cause materially adverse financial results.

Concentration of Ownership; Subsequent Transfer

There can be no assurance that the Developer has the financial capability to complete development within the Project. Because there can be no assurance that the members of the limited liability company that form the Developer will provide additional funds to the Developer, nor that bank loans will be available to the Developer sufficient to pay all costs attributable to the Project, the Developer may have to depend on revenues from sales of lots and parcels to generate cash flow and otherwise make funds available to pay all costs associated with the ownership, operation and development of the Project. If the Developer has to depend on sales of lots and parcels to generate cash flow, there can be no assurance that sufficient funds will be available to the Developer to pay all of its obligations and liabilities, including, without limitation, property taxes (including those relating to property then owned by the Developer to be applied to pay the Bonds), as such obligations and liabilities become due and payable.

See TABLE 4 with regard to the concentration of ownership of property in, and obligation for payment of property taxes of, the District in certain entities.

In addition, the Developer has transferred and intends to continue to transfer ownership of parcels (or portions thereof) designated for residential development within the District to homebuilders prior to completion of development therein. There are no restrictions on the ability of the Developer to sell parcels (or portions thereof). There can be no assurance that any builder will ultimately acquire and develop all of the lots, nor any assurance that any builder will be able to obtain the projected sales prices for any houses to be constructed on the lots.

Failure or Inability to Complete Proposed Development

The development of each phase of Eastmark will be staged so that a particular phase will not be developed at one time. The funding for each phase of development of Eastmark will be provided by the Developer and other sources. The availability of funding for the completion of Eastmark will depend upon the demand for residential lots or units within Eastmark and local, regional and national market and economic conditions. No assurance is given that funding will be obtained for all phases of development of Eastmark, or, if obtained, will be in an

amount sufficient to complete development of Eastmark. If satisfactory funding is unavailable, completion of the development of the balance of Eastmark may be delayed or suspended.

Public and private on-site and off-site improvements may increase the public and private debt for which the land within the District is security. The burden of additional debt would be placed on the land within the District to complete the necessary improvements. See “RISK FACTORS - Direct and Overlapping Indebtedness and Taxes.”

Completion of the Public Infrastructure and the Other Infrastructure

The assessed valuation of the taxable property in the District may increase if and as the development of the Project continues. However, less than expected increases or decreases in the future assessed valuation of the taxable property in the District may reduce the willingness of landowners to pay the ad valorem property taxes securing the Bonds or adversely affect the interest of potential buyers of such property at any foreclosure sale for purposes of paying such taxes. See also “SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS - Ad Valorem Property Taxation in the District.”

The construction of infrastructure for development of the land in the District is not yet complete. See “LAND DEVELOPMENT.” The cost and time for completion of all of such improvements is uncertain and may be affected by changes like those described hereinabove. If cost overruns result in delay of construction, or if other delays are experienced, the sale of lots and construction of homes may be delayed. Failure or inability to complete proposed development including development of necessary utilities could affect adversely development of the land in the District.

Availability of Utilities

Water and sewer service to the District will be provided by the City as described under the subheading “LAND DEVELOPMENT – The District.” Failure or inability to complete proposed development including development of necessary utilities could affect adversely development of the land in the District. See “RISK FACTORS – Failure or Inability to Complete Proposed Development.” Certain utilities are to be developed by the City pursuant to certain development agreements including as described above. There can be no assurances that such utilities will be financed and developed.

Effect of Valuation of Property

Information is provided herein with respect to the valuation of land within the District. See “SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS - Ad Valorem Property Taxation in the District.” Such valuation, and particularly decreases therein, may reduce the willingness of landowners to pay the ad valorem taxes securing the Bonds, as well as adversely affect the interest of potential buyers of such property at any foreclosure sale for purposes of paying such taxes.

Direct and Overlapping Indebtedness and Taxes

The ability of an owner of land within the District to pay the ad valorem taxes of the District could be affected by the existence of other taxes and assessments imposed upon the property. The District and other public entities whose boundaries overlap those of the District could, without the consent of the District and, in certain cases, without the consent of the owners of the land within the District, impose additional ad valorem taxes or assessment liens on the property within the District in order to finance public improvements to be located inside or outside of the District. (The existing public debt relating to the District is set forth in “OVERLAPPING, ADDITIONAL OVERLAPPING AND OTHER DEBT AND OTHER OVERLAPPING TAXES.”) The lien created on the property within the District through the levy of ad valorem taxes would be on a parity with the ad valorem taxes securing the Bonds. The imposition of additional parity liens, or subordinate liens in the case of future special assessments, or for that matter for private financing, may reduce the ability or willingness of the landowners to pay the ad valorem taxes securing the Bonds as well as, in the case of failure of payment thereof, the existence of buyers of such property at any foreclosure sale for purposes of paying such taxes. See

“SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS - Ad Valorem Property Taxation in the District.”

Bankruptcy and Foreclosure Delays

It should be noted that in the event of bankruptcy of a taxpayer pursuant to the United States Bankruptcy Code (the “Bankruptcy Code”), the law is currently unsettled as to whether a lien can be attached against the taxpayer’s property for property taxes levied during the pendency of bankruptcy. Such taxes might constitute an unsecured and possibly noninterest bearing administrative expense payable only to the extent that the secured creditors of a taxpayer are oversecured, and then possibly only on the prorated basis with other allowed administrative claims. It cannot be determined, therefore, what adverse impact bankruptcy might have on the ability to collect ad valorem taxes on a property of a taxpayer within the District. Proceeds to pay such taxes come only from the taxpayer or from a sale of the tax lien on the property.

When a debtor files or is forced into bankruptcy, any act to obtain possession of the debtor’s estate, any act to create or perfect any lien against the property of the debtor or any act to collect, assess or recover a claim against the debtor that arose before the commencement of the bankruptcy would be stayed pursuant to the Bankruptcy Code. While the stay of a bankruptcy court may not prevent the sale of tax liens against the real property of a bankrupt taxpayer, the judicial or administrative foreclosure of a tax lien against the real property of a debtor would be subject to the stay of a bankruptcy court. It is reasonable to conclude that “tax sale investors” may be reluctant to purchase tax liens under such circumstances, and, therefore, the timeliness of post-bankruptcy petition tax collections becomes uncertain.

In the event the District is expressly enjoined or prohibited by law from collecting taxes due from any taxpayer, such as may result from the bankruptcy of a taxpayer, any resulting deficiency could be collected in subsequent tax years by adjusting the District’s tax rate charged to non-bankrupt taxpayers during such subsequent tax years.

It cannot be determined what impact any deterioration of the financial condition of any taxpayer, whether or not protection under the Bankruptcy Code is sought, may have on payment of or the secondary market for the Bonds. None of the District, the Underwriter or their respective agents or consultants has undertaken any independent investigation of the operations and financial condition of any taxpayer, nor have they assumed responsibility for the same.

The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel’s approving legal opinion) will be qualified, as to the enforceability of the various legal instruments, by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Amendment of Documents Referenced

The reports, inspections and other documents described in this Limited Offering Memorandum may be modified, updated or amended (as new reports and/or inspections may be obtained), and such modifications may materially and adversely affect the development of the property (e.g., updating of environmental reports).

The development of the property within the District is approximately ____ percent complete. Circumstances could change as the development process continues and other issues are raised or new developers or owners become involved. Accordingly, the Developer anticipates that there may be significant changes to the agreements and contracts summarized in this Limited Offering Memorandum to address any such issues. Because the existing contracts and agreements are subject to change, the summaries of any contracts or agreements contained hereinabove may not accurately reflect the future conditions relating to the development of the District; however, the Developer does not presently anticipate that any modifications of the current contracts or agreements would materially affect the repayment of the Bonds.

Environmental Matters

Property in the District will be subject to risks arising out of environmental, archaeological and biological considerations generally associated with the ownership of real estate and the construction of improvements located thereon. Such risks include, in general, potential liability arising as a result of any contamination later discovered on the site and the possibility of a decline in property values in Eastmark resulting from any contamination on the site or from the proximity of the site to other contaminated areas; or discovery of archaeological artifacts located on the site or in the vicinity of the site; discovery of endangered species of animals, plants or other habitat for endangered species and a determination of the waterways of the United States against dredging or fill. Liability may arise under a variety of federal, state or local environmental laws and regulations, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), the Resource Conservation and Recovery Act (RCRA), the Endangered Species Act and the National Historical Preservation Act. In addition, development may require approvals and actions under the Clean Water Act and the National Environmental Protection Act may limit, delay or change materially the number and type of development on the site.

No Credit Rating

No credit rating for the Bonds has been sought, nor is it anticipated that any such rating will be applied for. There can be no guarantee that there will be a secondary market for the Bonds, or, if a secondary market exists, that such Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary market trading in connection with a particular issue is suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then generally prevailing circumstances. Such prices could be substantially different from the original purchase price.

Projections

Included in this Limited Offering Memorandum are various projections for lot closings, completion dates, completion costs and other items. The projections are based on assumptions concerning future events and should be viewed with an abundance of caution. Circumstances that may not yet be ascertainable, which the Developer believes to be significant and which the Developer cannot control may also exist. There are usually differences between projections and results because events frequently do not occur as expected, and those differences may be material. There can be no assurances that the various projections set forth in this Limited Offering Memorandum can be achieved.

No Review of Filings

As described in footnote (a) to Table 4, none of the District, the Underwriter, the Financial Advisor, Bond Counsel or counsel to the Underwriter have examined the information set forth in the Filings for accuracy or completeness, or examined similar information for entities or their parent companies that are not subject to same or similar informational requirements.

LITIGATION

At the time of delivery and payment for the Bonds, appropriate representatives of the District will certify that, except as disclosed herein, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending or overtly threatened against the District, affecting the existence of the District, or the titles of its officers to their respective offices, or seeking to restrain or to enjoin the sale or delivery of the Bonds, the application of the proceeds thereof in accordance with the Bond Resolution, or the collection or application of any revenues providing for the payment of the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the Bond Resolution, any action of the District contemplated by any of the said documents, or the collection or application of the revenues provided for the payment of the Bonds, or in any way contesting the completeness or accuracy of this Limited Offering Memorandum or any amendment or

supplement thereto, or contesting the powers of the District or its authority with respect to the Bonds or any action of the District contemplated by any of said documents.

TAX EXEMPTION

In the opinion of Gust Rosenfeld P.L.C., Phoenix, Arizona, Bond Counsel, under existing laws, regulations, rulings and judicial decisions, and assuming continued compliance with certain restrictions, conditions and requirements by the District as described below, interest income on the Bonds is excluded from gross income for federal income tax purposes and is exempt from State income taxes. The opinion of Bond Counsel will be dated as of the date of delivery of the Bonds. A form of such opinion is included as APPENDIX B attached hereto.

The Internal Revenue Code of 1986, as amended (the “Code”), imposes various restrictions, conditions and requirements relating to the continued exclusion of interest income on the Bonds from gross income for federal income tax purposes, including a requirement that the District rebate to the federal government certain of its investment earnings with respect to the Bonds. The District has covenanted to comply with the provisions of the Code relating to such matters. Failure to comply with such restrictions, conditions, and requirements could result in the interest income on the Bonds being included as gross income for federal income tax purposes, under certain circumstances, from the date of issuance. The Bonds do not provide for an adjustment in interest rate or yield in the event of taxability and an event of taxability does not cause an acceleration of the principal of the Bonds. The opinion of Bond Counsel assumes continuing compliance with such covenants, restrictions, conditions and requirements.

The Code also imposes an “alternative minimum tax” (“AMT”) upon certain corporations and individuals. A taxpayer’s “alternative minimum taxable income” (“AMTI”) is its taxable income with certain adjustments. Interest income on the Bonds is not an item of tax preference to be included in the AMT of individuals or corporations.

Notwithstanding the preceding sentence, included in the adjustments of AMTI for corporations is an adjustment increasing the corporation’s AMTI by seventy-five percent (75%) of the excess (if any) of the corporation’s “adjusted current earnings” over the corporation’s AMTI for the taxable year (determined without regard to such adjustment for excess adjusted current earnings and the alternative tax net operating loss deduction). A corporation’s “adjusted current earnings” includes all tax-exempt interest, including the interest on the Bonds.

Although Bond Counsel will render an opinion that, as of the delivery date of the Bonds, interest income on the Bonds is excluded from gross income for federal income tax purposes, the accrual or receipt of interest on the Bonds may otherwise affect a bondholder’s federal tax liability. Certain taxpayers may experience other tax consequences. Taxpayers purchasing the Bonds, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain subchapter S corporations, individuals who receive Social Security or Railroad Retirement benefits and taxpayers who have or are deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations should consult their tax consultants as to the applicability of such tax consequences to the respective Bondholder. The nature and extent of these other tax consequences will depend upon the Bondholder’s particular tax status and the Bondholder’s other items of income or deduction. Bond Counsel expresses no opinion regarding any such tax consequences.

The Bonds are not “private activity bonds” within the meaning of Section 141 of the Code.

From time to time, there are legislative proposals in Congress which, if enacted could alter or amend the federal tax matters referred to above or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to obligations (such as the Bonds) issued prior to enactment.

ORIGINAL ISSUE DISCOUNT

The initial public offering prices of the Bonds maturing on July 15, 20__, through and including July 15, 20__ (collectively, the “Discount Bonds”), are less than the respective amounts payable at maturity. As a result, the

Discount Bonds will be considered to be issued with original issue discount. The difference between the initial public offering price (the “Issue Price”) of the Discount Bonds and the amount payable at maturity of the Discount Bonds will be treated as “original issue discount.” With respect to a Beneficial Owner who purchases a Discount Bond in the initial public offering at the Issue Price and who holds the Discount Bond to maturity, the full amount of original issue discount will constitute interest income which is not includible in the gross income of the Beneficial Owner of the Discount Bond for federal income tax purposes and Arizona income tax purposes and that Beneficial Owner will not, under present federal income tax law and present Arizona income tax law, realize a taxable capital gain upon payment of the Discount Bond at maturity.

The original issue discount on each of the Discount Bonds is treated for federal income tax purposes and Arizona income tax purposes as accreting daily over the term of such Discount Bond on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period from the date of original issue) ending on January 15 and July 15 (with straight-line interpolation between compounding dates).

The amount of original issue discount accreting each period will be added to the Beneficial Owner’s tax basis for the Discount Bond. The adjusted tax basis will be used to determine taxable gain or loss upon disposition of the Discount Bond. An initial Beneficial Owner of a Discount Bond who disposes of the Discount Bond prior to maturity should consult his or her tax advisor as to the amount of the original issue discount accrued over the period held and the amount of taxable gain or loss upon the sale or disposition of the Discount Bond prior to maturity.

The Code contains certain provisions relating to the accretion of original issue discount in the case of subsequent Beneficial Owners of the Discount Bonds. Beneficial Owners who do not purchase the Discount Bonds in the initial offering at the issue price should consult their own tax advisors with respect to the tax consequences of the ownership of Discount Bonds.

A portion of the original issue discount that accretes in each year to a Beneficial Owner of a Discount Bond may result in certain collateral federal income tax consequences as described in “TAX EXEMPTION” herein. Beneficial Owners of Discount Bonds in states other than Arizona should consult their own tax advisors with respect to the state and local taxes.

BOND PREMIUM

The initial public offering prices of the Bonds maturing on July 15, 20____, through and including July 15, 20____ (collectively, the “Premium Bonds”), are greater than the amount payable on such Premium Bonds at maturity. An amount equal to the difference between the initial public offering price of a Premium Bond (assuming that a substantial amount of the Premium Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial Beneficial Owner of such Premium Bonds. The basis for federal income tax purposes of a Premium Bond in the hands of such initial Beneficial Owner must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium which is amortizable each year by an initial Beneficial Owner is determined by using such Beneficial Owner’s yield to maturity. Beneficial Owners of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium with respect to the Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning Premium Bonds.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The District has designated the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code and, in that regard, will certify that it reasonably anticipates that the aggregate amount of qualified tax-exempt obligations (as defined in Section 265(b)(3)(B) of the Code) which will be issued by or on behalf of the District in calendar year 2015 will not exceed \$10,000,000.

NO CREDIT RATING

The District has not made, and does not contemplate making, application to any rating agency for the assignment of a rating to the Bonds. See “RISK FACTORS – No Credit Rating.”

FINANCIAL STATEMENTS

The financial statements of the District as of June 30, 2014, and for its fiscal year then ended, which are included as APPENDIX H to this Limited Offering Memorandum, have been audited by Clifton Larson Allen LLP as stated in their opinion which appears in APPENDIX F – “AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014.” The District neither requested nor obtained the consent of Clifton Larson Allen LLP to include their report and Clifton Larson Allen LLP had performed no procedures subsequent to rendering their opinion on the financial statements.

LEGAL MATTERS

Legal matters incident to the issuance of the Bonds and with regard to the tax-exempt status of the interest thereon are subject to the legal opinion of Bond Counsel. (See “TAX EXEMPTION” herein.) Signed copies of the opinion, dated and speaking only as of the date of delivery of the Bonds, will be delivered upon the initial delivery of the Bonds in substantially the form of APPENDIX B hereto. Certain legal matters will be passed upon for the District by Bond Counsel, for the Underwriter by its counsel, Greenberg Traurig, LLP, Phoenix Arizona; and for the Developer by its counsel, Greenberg Traurig, LLP, Phoenix, Arizona. See “RELATIONSHIPS AMONG PARTIES.”

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

UNDERWRITING

The Bonds are being purchased by RBC Capital Markets, LLC (the “Underwriter”). The Underwriter has agreed to purchase the Bonds at an aggregate purchase price of \$_____ (reflecting the aggregate principal amount of the Bonds, [less net] original issue [discount] of \$_____ and less Underwriter’s compensation of \$_____). The prices or yields set forth on the inside front cover page hereof may be changed after the initial offering by the Underwriter.

CONTINUING DISCLOSURE

The District has covenanted for the benefit of certain beneficial owners of the Bonds to provide certain financial information and operating data relating to the District by not later than February 1 of each year (the “Annual Reports”), and to provide notices of the occurrence of certain enumerated events (the “Notices of Listed Events”). The Annual Reports and the Notices of Listed Events will be filed by the District through the Electronic Municipal Market Access System (“EMMA”) established by the Municipal Securities Rulemaking Board. The specific nature of the information to be contained in the Annual Reports and in the Notices of Listed Events is set forth in Appendix D - “FORM OF CONTINUING DISCLOSURE UNDERTAKING,” which includes the form of continuing disclosure undertaking which will be executed by the District with respect to the Bonds.

These covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission. Should the District not comply with such covenants, it has covenanted to provide notice of such fact through EMMA. A failure to provide continuing disclosure may adversely affect the transferability and liquidity of the Bonds and their market price.

The District previously entered into a continuing disclosure undertaking with respect to the Series 2013 Assessment Bonds which required the filing on or before February 1 of each year of an Annual Report. The District filed the Annual Report with respect to the fiscal year ended June 30, 2013 on April 2, 2014. Otherwise, the District has complied materially with all existing continuing disclosure undertakings during the last five years.

FINANCIAL ADVISOR

Wedbush Securities Inc. (the “Financial Advisor”) has been engaged by the District for the purpose of advising the District as to certain debt service structuring matters specific to the Bonds and on certain matters relative to the District’s overall debt financing program. The Financial Advisor has assisted in the assembly and preparation of this Limited Offering Memorandum at the direction and on behalf of the District. No person is entitled to rely on the Financial Advisor’s participation as an assumption of responsibility for, or an expression of opinion of any kind with regard to, the accuracy and completeness of the information contained herein.

RELATIONSHIPS AMONG PARTIES

Gust Rosenfeld P.L.C., Bond Counsel, has acted as counsel to the underwriter in other transactions underwritten by the Underwriter and by the Financial Advisor and as bond counsel in other transactions underwritten by the Underwriter and by the Financial Advisor. Greenberg Traurig, LLP, counsel to the Underwriter, has acted as bond counsel in other transactions underwritten by the Underwriter and by the Financial Advisor. Greenberg Traurig, LLP and Gust Rosenfeld P.L.C. have also acted as bond counsel and/or counsel to the underwriter with respect to bonds issued by the City and other overlapping political subdivisions.

As noted above, Greenberg Traurig, LLP is acting as counsel to the Underwriter. Greenberg Traurig, LLP also represents the Developer and affiliated entities with regard to certain matters, including matters relating to the issuance of the Bonds. The Underwriter and the Developer have agreed that Greenberg Traurig, LLP may represent each of them simultaneously in connection with the issuance of the Bonds and have consented to and approved such representations.

The Underwriter and the Financial Advisor have underwritten or acted as financial advisor with respect to bonds issued by the City and other overlapping political subdivisions. The Underwriter and the Financial Advisor have underwritten or acted as financial advisor on other transactions together and expect to do so in the future.

This Limited Offering Memorandum has been approved, executed and delivered by the District.

EASTMARK COMMUNITY FACILITIES DISTRICT NO. 1
(CITY OF MESA, ARIZONA)

By: _____
Chairman, District Board

INFORMATION REGARDING THE CITY OF MESA, ARIZONA

The following information is given as background information concerning the City. THE BONDS WILL NOT BE AN OBLIGATION OF THE CITY. The Bonds will be secured and payable only as described under "SECURITY FOR AND SOURCES OF PAYMENT OF THE BONDS" herein. The holders of the Bonds will have no right to payment except as described therein.

General

The City is the third largest city in the State and the 38th largest city in the United States. Founded in 1878 and incorporated in 1883, the City has an estimated population of 455,567. The following table illustrates the City's population statistics since 1990, along with the population statistics for the County and the State, respectively.

POPULATION STATISTICS

Year	City of Mesa	Maricopa County	State of Arizona
2014 Estimate (a)	455,567	4,008,651	6,667,241
2010 Census	439,041	3,817,117	6,392,017
2000 Census	396,375	3,072,149	5,130,632
1990 Census	288,091	2,122,101	3,665,305

(a) Estimate as of July 1, 2014 (Published December 15, 2014).

Source: Arizona Department of Administration, Office of Employment and Population Statistics and US Census Bureau, American FactFinder.

The following table sets forth a record of the City's geographic area since 1970.

SQUARE MILE STATISTICS City of Mesa, Arizona

Year	Square Miles
2010	133.14
2000	125.00
1990	122.11
1980	66.31
1970	20.80

Source: City of Mesa, Arizona, Planning and Community Development Department.

Municipal Government and Organization

The City operates under a charter form of government with citizens electing a Mayor and six City Council members to set policy for the City. In 1998, a voter initiative was approved changing the way City Council members are elected from an at-large to a district system. Six districts were created and in March 2000, the first three district City Council members were elected in Districts 1, 2 and 3. In March 2002, Districts 4, 5 and 6 elected their first district City Council members. The City's Council members serve terms of four years, with three members being elected every two years. The Mayor continues to be elected at-large every four years. The Mayor and City Council are elected on a non-partisan basis, and the Vice Mayor is a councilmember selected by the City Council.

The City Manager, who has full responsibility for carrying out City Council policies and administering City operations, is appointed by the Mayor and City Council. The City Manager is responsible for the appointment of City department heads. Additionally, City employees are hired under merit system procedures as specified in the City Charter. The various functions of City government and operations are undertaken by City employees working the various City departments.

City Administrative Staff

Christopher Brady, City Manager. Mr. Brady was appointed by City Council to serve as City Manager effective January 1, 2006. Under Mesa's council-manager form of government, the City Manager serves as the chief operating officer of the City, one of the fastest-growing cities of the United States. Mr. Brady implements the policies established by the City Council and coordinates all City departments and other affairs assigned by the City Charter. Prior to joining the City, Mr. Brady served as Assistant City Manager for the City of San Antonio, Texas. Mr. Brady has a Bachelor of Fine Arts degree in Political Science and a Masters in Public Administration from Brigham Young University.

Kari Kent, Deputy City Manager. Ms. Kent has been with the City since 1993. She was promoted to Solid Waste Management Director in 1999, Assistant Development Services Director in July 2001, and Neighborhood Services Director since June 2006, and was appointed Deputy City Manager in June 2007. Ms. Kent received a Bachelor of Science Degree from Northern Arizona University and a Masters of Public Administration from Arizona State University.

John Pombier, Deputy City Manager. Mr. Pombier was hired as the City Prosecutor in 2003 and was promoted to Deputy City Manager in 2011. Mr. Pombier has a law degree from Arizona State University and a Bachelor of Business Administration from University of Michigan School of Business.

Michael Kennington, Chief Financial Officer. Mr. Kennington was hired as the City's Chief Financial Officer in July 2012 and is responsible for the City's overall financial policies, strategies, planning and forecasts. He has a Master of Accountancy degree and Master of Business Administration degree from Brigham Young University and is a Certified Public Accountant.

Economy

The City's major economic sectors are comprised of manufacturing, non-manufacturing, government and commercial activities (including construction and commerce), agriculture and tourism.

The following table sets forth unemployment averages for the United States, the State, the County and the City for the most recent five full years for which such information is available.

UNEMPLOYMENT AVERAGES

Year	United States	State of Arizona (a)	Maricopa County (a)	City of Mesa (a)
2014 (b)	5.8%	6.8%	5.8%	5.6%
2013	7.4	8.0	6.7	6.6
2012	8.1	8.3	7.1	7.0
2011	8.9	9.4	8.4	8.3
2010	9.6	10.4	9.6	8.8

- (a) On February 29, 2012, the Local Area Unemployment Statistics ("LAUS") program released 2011 annual average labor force estimates for census regions and divisions for all States. Data was revised back to January 2007 to incorporate new population controls, updated inputs, reestimation of models, and adjustment to new census division and national control totals. On April 20, 2012, routine revisions were made to data from 2007 through 2011 for geographic areas below the State level. For all areas, estimation inputs were revised back to 2010, while the revisions for 2007–09 consisted of controlling to the new State totals described above.
- (b) Data is not seasonally adjusted and is a preliminary average through November 2014 for LAUS data and through November 2014 for the National Unemployment Rate.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Manufacturing and Non-Manufacturing Employment

A list of significant employers located within the City is set forth in the following table.

MAJOR EMPLOYERS City of Mesa, Arizona

Employer	Description	Approximate Employment
Banner Health System	Hospital Network	9,573
Mesa Public Schools	Public Education	8,770
The Boeing Company	Helicopter Manufacturing and Assembly	4,700
City of Mesa	Government	3,519
Maricopa County Government	Government	2,644
Wal-Mart	Retail	2,533
Mesa Community College	Education	1,951
The Kroger Company (Fry's)	Grocery Store	1,210
Gilbert Unified Schools	Public Education	1,087
Aviall Inc.	Aviation Parts	842
Home Depot	Retail	837

Source: City of Mesa – Office of Economic Development, Phoenix Business Journal, Reference USA, MAG Employer Database, updated December 2014.

Phoenix-Mesa Gateway Airport and the Airport/Campus District

Phoenix-Mesa Gateway Airport (formerly known as Williams Gateway Airport) has three runways (10,401 feet, 10,201 feet, and 9,301 feet) and a newly expanded and remodeled passenger terminal. Phoenix-Mesa Gateway Airport is a small-hub commercial airport serving the Phoenix-Mesa metropolitan area and currently has one airline, Allegiant Air. Allegiant Air provides direct service to over 30 cities.

Phoenix-Mesa Gateway Airport is also developing as an international aerospace center with aircraft maintenance, modification, testing, and pilot training. Currently more than 35 aviation companies operate on the airport, including three manufacturer service centers for Cessna, Embraer, and Hawker-Beechcraft. In Fiscal Year 2010, the airport commissioned Arizona State University to conduct an economic impact study. According to that study, the total economic benefit (including all multiplier effects) totaled \$685 million, supporting 4,900 jobs in the area. On-airport economic activity produced \$273 million of output, creating employment for 886 on-airport workers, and proprietor earnings of \$53.6 million.

Phoenix-Mesa Gateway Airport is owned and operated by the Phoenix-Mesa Gateway Airport Authority whose members include the City, City of Phoenix, Town of Gilbert, Town of Queen Creek, and the Gila River Indian Community.

Adjacent to Phoenix-Mesa Gateway Airport, the Airport/Campus District serves approximately 8,700 students. The campus includes five higher education partners - Arizona State University Polytechnic campus, Chandler-Gilbert Community College, Embry-Riddle Aeronautical University, Mesa Community College and UND Aerospace. The ASU Polytechnic campus has expanded and added new academic buildings that doubled the instructional lab and classroom space, and added faculty offices and a 500-seat auditorium.

Construction of State Route 24, a one-mile freeway segment extending access from the existing State Route 202 freeway eastward was completed in May 2014. This freeway segment lies immediately north of Phoenix-Mesa Gateway Airport, and will provide freeway access to the east side of the airport property. Such access will be beneficial for the economic development of properties located on, and adjacent to, Phoenix-Mesa Gateway Airport, as well as future terminal development on the east side.

Construction

The following tables set forth annual records of building permit values and new housing permits issued within the City for the period 2009-2014.

VALUE OF BUILDING PERMITS City of Mesa, Arizona (\$000's omitted)

Year (a)	Residential	Commercial	Industrial	Other	Total
2013/14 (b)	\$274,309	\$246,989	-	\$ 6,459	\$527,757
2012/2013	334,138	308,994	-	5,266	706,865
2012	243,762	331,860	-	2,546	578,168
2011	169,238	293,054	-	35,323	497,615
2010	153,146	26,125	\$2,697	44,181	226,149
2009	162,040	63,988	6,550	35,306	267,884

(a) Data from 2009 through 2012 is for calendar years. Data for 2012/2013 through 2013/14 is for fiscal years.

(b) Partial fiscal year through March 25, 2014.

Source: Arizona State University Realty Studies and the City. Note that the report obtains its data from County and municipal divisions which issue such permits. Construction is valued on the basis of estimated

cost, not on market price or value of construction at the time the permit is issued. The date on which the permit is issued is not to be construed as the date of construction.

NEW HOUSING PERMITS
City of Mesa, Arizona

Year (a)	Total New Housing Units
2013/14 (b)	748
2012/2013	957
2012	739
2011	1,447
2010	782

-
- (a) Data from 2010 through 2012 is for calendar years. Data for 2012/2013 through 2013/14 is for fiscal years.
(b) Partial fiscal year data through March 25, 2014.

Source: Arizona State University Realty Studies and the City. Note that the report obtains its data from County and municipal divisions which issue such permits. Construction is valued on the basis of estimated cost, not on market price or value of construction at the time the permit is issued. The date on which the permit is issued is not to be construed as the date of construction.

Retail

The following table sets forth a record of retail sales activity within the City.

**TAXABLE
RETAIL SALES**
City of Mesa, Arizona

Year	Retail Sales
2014	\$3,944,036,123
2013	3,771,601,899
2012	3,557,501,931
2011	3,458,279,940
2010	3,662,333,085

Source: City of Mesa.

Agriculture

Although still a contributor to the economic base, the agricultural sector is no longer a significant factor of the City's economy due to the industrial, commercial and residential development which has occurred over the past 30 years. The principal products of the City's remaining agricultural sector are dairy operations and citrus.

Tourism

The tourism sector is a significant contributor to the City's economy. The City's hotels, motels, golf courses, parks and playgrounds, restaurants and retail shops provide tourists with accommodations and recreational facilities.

There are more than 60 hotels in the City, with all of the major hotel brands represented. The table below contains a listing of certain hotels located within the City.

HOTELS City of Mesa, Arizona

Hotel Name	Number of Sleeping Rooms
Phoenix Marriott Mesa	275
Hilton Phoenix East-Mesa	260
Holiday Inn Mesa	246
Dobson Ranch Inn & Suites	212
Arizona Golf Resort	187
Hyatt Place Phoenix-Mesa	152
Marriott Courtyard	149
Best Western Mezona Inn	128
Country Inn and Suites	126
La Quinta (West)	125
Days Hotel Mesa-Gilbert	120
Quality Inn/Suites	119

Source: Mesa Convention and Visitors Bureau.

The City owns and operates the Mesa Convention Center (the "Convention Center") which offers convention facilities. The Convention Center is situated on a 22-acre site adjacent to the Phoenix Marriott Mesa. The Convention Center includes Centennial Hall, which is a multipurpose facility of approximately 15,000 square feet, and the Centennial Conference Center and the Rendezvous Center, which offer an additional 18,500 square feet of meeting space. The City currently operates 58 parks and numerous other sports facilities, including 13 aquatic facilities, 33 baseball/softball fields, 23 football/soccer fields and two golf courses.

The award-winning Mesa Arts Center facility in downtown Mesa opened in 2005. The Mesa Arts Center is a 212,775-square foot performing arts, visual arts and arts education facility, the largest and most comprehensive arts center in the State.

FORM OF APPROVING LEGAL OPINION OF BOND COUNSEL

_____, 2015

District Board
Eastmark Community Facilities District No. 1
(City of Mesa, Arizona)

Re: Eastmark Community Facilities District No. 1
(City of Mesa, Arizona), General Obligation
Bonds, Series 2015

Honorable Board:

At your request we have examined the official proceedings leading to the issuance of \$_____ aggregate principal amount of General Obligation Bonds, Series 2015 (the "*Bonds*"), dated the date hereof, issued by Eastmark Community Facilities District No. 1 (City of Mesa, Arizona) (the "*District*") initiated under Resolution No. CFD EM1 RES __, adopted by the District Board on May 21, 2015.

We have examined the law and such documents and matters as we have deemed necessary to render this opinion including, without limitation, Resolution No. CFD EM1 RES __, passed and adopted by the District Board on May 21, 2015 (the "*Resolution*"). As to questions of fact material to our opinion we have relied upon, and assumed due and continuing compliance with the provisions of, the proceedings and other documents, and have relied upon certifications, covenants and representations furnished to us without undertaking to verify the same by independent investigation, including, without limitation, those with respect to causing interest on the Bonds to be and remain excluded from gross income for federal income tax purposes.

Based upon the foregoing, we are of the opinion, as of this date, which is the date of initial delivery of the Bonds against payment therefor, that:

1. The District is duly created and validly existing as a community facilities district and political subdivision of the State of Arizona with power to pass and adopt the Resolution, perform the agreements on its part contained therein and issue the Bonds.

2. The Resolution has been duly passed and adopted by the District Board and is valid and binding upon and enforceable against the District.

3. The Bonds and the proceedings leading to and including the issuance thereof are legal and constitute a valid and binding general obligation of the District.

4. All taxable property within the District is subject to the levy of a direct, annual, ad valorem tax to pay the principal of and interest on the Bonds without limit as to rate or amount. It is required by law that there be levied, assessed and collected, at the same time and in the same manner as other taxes, an annual tax upon all taxable property in the District sufficient, together with any money from other sources lawfully available therefor, to pay the principal of and interest on the Bonds when due.

5. Under existing laws, regulations, rulings and judicial decisions, the interest income on the Bonds is excluded from gross income for the purpose of calculating federal income taxes and is exempt from

Arizona income taxes. Interest income on the Bonds is not an item of tax preference to be included in computing the alternative minimum tax of individuals or corporations; such interest income must, however, be taken into account for federal income tax purposes as an adjustment to alternative minimum taxable income for certain corporations which income is subject to the federal alternative minimum tax. The Bonds are not private activity bonds within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended (the "*Code*"). We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

The Code imposes various restrictions, conditions and requirements relating to the continued exclusion of interest income on the Bonds from gross income for federal income tax purposes, including a requirement that the District rebate to the federal government certain of the investment earnings with respect to the Bonds. Failure to comply with such restrictions, conditions and requirements could result in the interest income on the Bonds being included as gross income for federal income tax purposes from their date of issuance. The District has covenanted to comply with the restrictions, conditions and requirements of the Code necessary to preserve the tax-exempt status of the Bonds. For purposes of this opinion we have assumed continuing compliance by the District with such restrictions, conditions and requirements.

The rights of the owners of the Bonds and the enforceability of those rights and the rights and obligations of the District with respect to the Resolution and the Indenture and to collection of assessments may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and to the enforcement of those rights may be subject to the exercise of judicial discretion in accordance with general principles of equity.

GUST ROSENFELD P.L.C.

BOOK-ENTRY-ONLY SYSTEM

This information concerning DTC and DTC's book-entry system has been obtained from DTC and the District takes no responsibility for the accuracy thereof. The Beneficial Owners (defined below) should confirm this information with DTC or the DTC participants.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S., equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S., securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Securities Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and together with the Direct Participants, the "Participants"). DTC has Standard & Poor's rating of: "AA+." The DTC Rules applicable to its Direct Participants and Indirect Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchase of the Bonds under the DTC system must be made by or through Direct Participants, who will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct Participant's and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interest in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all the Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co., or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct Participants and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding

the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and Paying Agent and request that copies of notices be provided directly to them.

Redemption notices of the Bonds shall be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Bond Registrar and Paying Agent as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payment of principal of and interest on the Bonds, and the redemption price of any Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of and information funds and corresponding detail information from the Bond Registrar and Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct Participants and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name" and will be the responsibility of such Direct Participants and Indirect Participants and not of DTC (or its nominee) or the Bond Registrar and Paying Agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal of and interest on the Bonds, and the redemption price of any Bonds will be made to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Bond Registrar and Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of Direct Participants and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Bond Registrar and Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, physical Bonds are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, physical Bonds will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

FORM OF CONTINUING DISCLOSURE UNDERTAKING

DRAFT

CONTINUING DISCLOSURE UNDERTAKING

\$____,000*

EASTMARK COMMUNITY FACILITIES DISTRICT NO. 1
(CITY OF MESA, ARIZONA)
GENERAL OBLIGATION BONDS, SERIES 2015

(CUSIP BASE NUMBER 277482)

This Undertaking is executed and delivered by Eastmark Community Facilities District No. 1 (hereinafter referred to as the “Issuer”), in connection with the issuance of the captioned municipal securities (hereinafter referred to as the “Securities”) for the benefit of the owners of the Securities, being the registered owners thereof or any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any of the Securities (including persons holding the Securities through nominees, depositories or other intermediaries) or is treated as the owner of any Securities for federal income tax purposes.

Section 1. Definitions.

“Annual Report” shall mean any annual report provided by the Issuer pursuant to, and as described in, Section 2.

“Authorizing Document” shall mean the resolution authorizing the issuance of the Securities.

“Dissemination Agent” shall mean any agent which has executed a dissemination agent agreement with the Issuer and such successors and assigns of such agent.

“EMMA” shall mean the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board. Information regarding submissions to EMMA is available at <http://emma.msrb.org/submission>.

“Listed Events” shall mean any of the events listed in Section 3(a).

“Notice of Listed Event” shall mean any notice provided by the Issuer pursuant to, and as described in, Section 3.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 2. Contents and Provision of Annual Reports.

(a) (i) ***THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, NOT LATER THAN FEBRUARY 1 OF EACH YEAR, COMMENCING FEBRUARY 1, 2016,***

* Preliminary, subject to change.

PROVIDE THROUGH EMMA AN ANNUAL REPORT WHICH IS CONSISTENT WITH THE REQUIREMENTS OF SUBSECTION (b) OF THIS SECTION.

(ii) IF THE ISSUER IS UNABLE OR FOR ANY OTHER REASON FAILS TO PROVIDE AN ANNUAL REPORT OR ANY PART THEREOF BY THE DATE REQUIRED IN SUBSECTION (a)(i) OF THIS SECTION, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, SEND A NOTICE TO THAT EFFECT NOT LATER THAN SUCH DATE THROUGH EMMA ALONG WITH THE OTHER PARTS, IF ANY, OF THE ANNUAL REPORT.

(b) (i) The Annual Reports shall contain or incorporate by reference the following:

(A) Information of the type in TABLES 2, 3, 4, 5A, 5B and 7 of, and APPENDIX F to, the Limited Offering Memorandum, dated _____, 2015, with respect to the Securities. If audited financial statements become available for purposes of subsection (B), the Annual Report need not contain or reference the information of the type in APPENDIX F.

(B) Audited financial statements for the preceding fiscal year, if any, such statements to be prepared on the basis of generally accepted accounting principles as applied to governmental units. **IF THE FISCAL YEAR OF THE ISSUER CHANGES, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, FILE A NOTICE OF SUCH CHANGE IN THE SAME MANNER AS FOR A NOTICE OF LISTED EVENT.**

(ii) The Annual Report may be submitted as a single document or as separate documents comprising a package and may incorporate by reference from other documents other information, including final offering documents of debt issues of the Issuer or related public entities which have been submitted to the Municipal Securities Rulemaking Board. If the document incorporated by reference is a final offering document, it must be available from the Municipal Securities Rulemaking Board. The Issuer shall clearly identify each such other document so incorporated by reference.

(iii) If audited financial statements are to be included in an Annual Report but are not available in time to satisfy the requirements of Subsection (a)(i) of this Section, unaudited financial statements must be provided at the requisite time as part of the Annual Report and as soon as possible (but not later than thirty (30) days) after such audited financial statements become available, the audited financial statements shall be provided through EMMA.

Section 3. Reporting of Listed Events.

(a) This Section shall govern the giving of notices of the occurrence of any of the following events (the "Listed Events") with respect to the Securities:

1. Principal and interest payment delinquencies,
2. Nonpayment related defaults, if material,
3. Unscheduled draws on debt service reserves reflecting financial difficulties,
4. Unscheduled draws on credit enhancements reflecting financial difficulties,
5. Substitution of the credit or liquidity providers or their failure to perform,
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other notices or determinations, in each case, with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities,

7. Modifications to rights of holders, if material,
 8. Bond calls, if material, or tender offers,
 9. Defeasances,
 10. Release, substitution or sale of property securing repayment of the Securities, if material,
 11. Rating changes,
 12. Bankruptcy, insolvency, receivership or similar events of the Issuer, being if any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer,
 13. The consummation of a merger, consolidation or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material,
 14. Appointment of a successor trustee or an additional trustee or the change of the name of the trustee, if material, and
 15. Notice of a failure of the Issuer to provide required annual financial information on or before the date specified in Section 2 above, including any non-appropriation to cover applicable costs.
- (b) Whether events subject to the standard “material” would be material shall be determined under applicable federal securities laws.
- (c) Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Securities pursuant to the Authorizing Document.
- (d) ***THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, PROMPTLY, BUT NOT MORE THAN TEN (10) BUSINESS DAYS THEREAFTER, FILE A NOTICE OF LISTED EVENT OF SUCH OCCURRENCE THROUGH EMMA.***

Section 4. Termination of Reporting Obligation. The obligations of the Issuer pursuant to this Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Securities. ***THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, GIVE NOTICE OF SUCH TERMINATION THROUGH EMMA AS SOON AS PRACTICABLE, BUT NOT LATER THAN THE DATE AN ANNUAL REPORT WOULD OTHERWISE HAVE BEEN DUE.***

Section 5. Amendment or Waiver.

(a) Notwithstanding any other provision of this Undertaking, the Issuer may amend this Undertaking, and any provision of this Undertaking may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the Issuer or type of business conducted; (ii) this Undertaking, as amended or

affected by such waiver, would have complied with the requirements of the Rule at the time of the primary offering of the Securities, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances and (iii) such amendment or waiver does not materially impair the interests of the owners of the Securities, as determined either by parties (such as bond counsel) unaffiliated with the Issuer or by an approving vote of the registered owners of the Securities pursuant to the terms of the Authorizing Document at the time of the amendments.

(b) The Annual Report containing amended operating data or financial information resulting from such amendment or waiver, if any, shall explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided. If an amendment or waiver is made specifying the accounting principles to be followed in preparing financial statements, the Annual Report for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information in order to provide information to investors to enable them to evaluate the ability of the Issuer to meet its obligations. To the extent reasonably feasible, such comparison also shall be quantitative. ***IF THE ACCOUNTING PRINCIPLES OF THE ISSUER CHANGE, THE ISSUER SHALL, OR SHALL CAUSE THE DISSEMINATION AGENT TO, FILE A NOTICE OF SUCH CHANGE IN THE SAME MANNER AS FOR A NOTICE OF LISTED EVENT.***

Section 6. Additional Information. Nothing in this Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Undertaking or any other means of communication, or including any other information in any Annual Report or Notice of Listed Event, in addition to that which is required by this Undertaking. If the Issuer chooses to include any information in any Annual Report or Notice of Listed Event in addition to that which is specifically required by this Undertaking, the Issuer shall have no obligation under this Undertaking to update such information or include it in any future Annual Report or Notice of Listed Event.

Section 7. Default. In the event of a failure of the Issuer to comply with any provision of this Undertaking, any owner of a Security for the benefit of which this Undertaking is being provided may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Undertaking. A default under this Undertaking shall not be deemed an event of default for other purposes of the Authorizing Document, and the sole remedy under this Undertaking in the event of any failure of the Issuer to comply with this Undertaking shall be an action to compel performance.

Section 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist the Issuer in satisfying the obligations of the Issuer hereunder and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

Section 9. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Undertaking and the applicable, related agency agreement, and, to the extent permitted by applicable law, the Issuer shall indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless for, from and against any loss, expense and liabilities which the Dissemination Agent may incur arising out of or in the exercise or performance of the powers and duties of the Dissemination Agent pursuant to this Undertaking and the applicable, related agency agreement, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the gross negligence or willful misconduct of the Dissemination Agent. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Securities.

Dated: [Closing Date]

EASTMARK COMMUNITY FACILITIES DISTRICT NO. 1
(CITY OF MESA, ARIZONA)

By.....
Chairman, District Board

FORM OF INVESTOR LETTER

[LETTERHEAD OF PURCHASER]

Eastmark Community Facilities District
City of Mesa
20 East Main Street, Suite 400
Mesa, Arizona 85211

RBC Capital Markets, LLC
2398 E. Camelback Road, Suite 700
Phoenix, Arizona 85016

U.S. Bank National Association
Corporate Trust Services
LM-AZ-X16P
101 North 1st Avenue, Suite 100
Phoenix, Arizona 85003

Re: \$____,000 Eastmark Community Facilities District No. 1 (City of Mesa, Arizona) General Obligation Bonds, Series 2015.

Ladies and Gentlemen:

In connection with the undersigned Purchaser's proposed purchase of the above-referenced Bonds (the "Bonds"), which Bonds were issued by Eastmark Community Facilities District No. 1 (City of Mesa, Arizona) (the "Issuer"), Purchaser hereby certifies, represents and warrants as follows:

1. Purchaser has authority to purchase the Bonds and to execute this letter and any other instruments and documents required to be executed by Purchaser in connection with the purchase of the Bonds.
2. Purchaser is a "qualified institutional buyer" as defined in Rule 144A under the Securities Act of 1933, as amended, or an "accredited investor" (excluding natural persons) as defined in Rule 501 of Regulation D under the Securities Act of 1933, as amended.
3. Purchaser has, either alone or with a purchaser representative, (i) experience in the bond market, (ii) knowledge and experience in financial and business matters and is capable of evaluating the merits and risks of the Bonds, and (iii) the ability to bear the economic risk of its investment in the Bonds, including a total loss of Purchaser's investment. Purchaser's commitment to investments that are not readily marketable is not disproportionate to its net worth, and an investment in the Bonds will not cause such commitment to become excessive. Purchaser has adequate means of providing for its current needs and contingencies and has no need for liquidity with respect to its investment in the Bonds, and can withstand a complete loss of such investment in the Bonds.
4. Purchaser understands that the Bonds (a) are not registered under the Securities Act of 1933, as amended, and are not registered or otherwise qualified for sale under the "blue sky" laws and regulations of any state, (b) will not be listed on any stock or other securities exchange, (c) will not be rated by any bond rating agency, and (d) will not be readily marketable.

5. The Bonds are being acquired by Purchaser for investment and not with a view to, or for resale in connection with, any distribution of the Bonds, and Purchaser intends to hold the Bonds for its own account and for an indefinite period of time, and does not intend at this time to dispose of all or any part of the Bonds in violation of the Act or other applicable securities laws. Purchaser agrees that it may not sell or otherwise transfer all or any interest in the Bonds except as expressly provided in this letter, the Bonds and the offering document. Purchaser understands that it may need to bear the risks of this investment for an indefinite time, since any sale prior to maturity may not be possible.
6. Purchaser, either alone or with a purchaser representative, has made its own inquiry, independent investigation, due diligence and analysis with respect to the Bonds and acknowledges that its has either been supplied with or been given access to information, including the offering document, financial statements and other financial information, to which a reasonable Purchaser would attach significance in making investment decisions, and Purchaser has read and understand the information, including the rights, risks and limitations pertaining to the Bonds, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Issuer, the Bonds and the security therefor so that, as a reasonable investor, Purchaser has been able to make its investment decision to purchase the Bonds.
7. Purchaser acknowledges that the Issuer and others will rely upon the truth and accuracy of the acknowledgements, representations and agreements herein.
8. Purchaser has satisfied itself that the Bonds are a lawful investment for Purchaser under all applicable laws.
9. Purchaser understands that there are restrictions on the transferability of the Bonds and that in the event that Purchaser transfers the Bonds or any portion thereof, the transfer is subject to the provisions of this letter, the Bonds and the offering document and each transferee must execute a letter in the form of this letter and provide such letter to the Bond Registrar and Paying Agent before any transfer of any portion of the Bonds to such transferee will be registered, and Purchaser agrees to so inform transferee.

ACCEPTANCE

ACCEPTED this [_____] day of [_____] , 20__

By _____

Name _____

Title _____

Date _____

APPENDIX F

EASTMARK COMMUNITY FACILITIES DISTRICT

**AUDITED FINANCIAL STATEMENTS FOR
THE YEAR ENDED JUNE 30, 2014**