

**RESOLUTION NO. CFD EM1 RES \_\_\_\_**

**RESOLUTION OF THE BOARD OF DIRECTORS OF EASTMARK COMMUNITY FACILITIES DISTRICT NO. 1 (CITY OF MESA, ARIZONA) ADOPTING CONTINUING DISCLOSURE COMPLIANCE PROCEDURES RELATING TO DISTRICT BONDS AND FINANCIAL OBLIGATIONS; AND PROVIDING FOR AN EFFECTIVE DATE.**

**WHEREAS**, Eastmark Community Facilities District No. 1 (City of Mesa, Arizona) (the “*District*”) has previously issued bonds and incurred other obligations (collectively, the “*Bonds*”); and

**WHEREAS**, the District has entered into continuing disclosure undertakings in connection with the Bonds which require the District to disclose certain financial information, and the District expects to enter into additional continuing disclosure undertakings with respect to the issuance of bonds or incurrence of other obligations in the future; and

**WHEREAS**, the District, in consideration of recent amendments to Rule 15c2-12 of the Securities and Exchange Commission, now desires to adopt written compliance procedures related to continuing disclosure undertakings;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF EASTMARK COMMUNITY FACILITIES DISTRICT NO. 1 (CITY OF MESA, ARIZONA)** as follows:

**Section 1.** The Board of Directors of the District hereby adopts the Continuing Disclosure Compliance Procedures Regarding the Securities and Exchange Commission’s Rule 15c2-12 (the “*Procedures*”), attached hereto as Exhibit A.

**Section 2.** This Resolution will become effective immediately upon its passage and thereupon and thereafter will be in full force and effect.

[Signatures on the following page]

**PASSED AND ADOPTED** by the Board of Directors of Eastmark Community Facilities District No. 1 (City of Mesa, Arizona) on April 18, 2019.

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Chairman, Board of Directors

ATTEST:

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District Clerk

APPROVED AS TO FORM:

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Sherman & Howard L.L.C., Bond Counsel

### **CERTIFICATE**

I hereby certify that the above and foregoing Resolution No. CFD EM1 RES \_\_\_\_ was duly passed and adopted by the Board of Directors of Eastmark Community Facilities District No. 1 (City of Mesa, Arizona) at a regular meeting held on April 18, 2019, and that a quorum was present thereat and that the vote thereon was \_\_\_\_\_ ayes and \_\_\_\_\_ nays; \_\_\_\_\_ did not vote or were absent.

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District Clerk

## **EXHIBIT A**

# **CONTINUING DISCLOSURE COMPLIANCE PROCEDURES REGARDING THE SECURITIES AND EXCHANGE COMMISSION’S RULE 15C2-12 FOR EASTMARK COMMUNITY FACILITIES DISTRICT NO. 1 (CITY OF MESA, ARIZONA)**

**Date of Implementation: April 18, 2019**

In connection with its issuance of bonds or incurrence of other obligations, Eastmark Community Facilities District No. 1 (City of Mesa, Arizona) (the “*District*”) has previously executed, and in the future will execute, continuing disclosure undertakings, or similar agreements pertaining to continuing disclosure obligations, in connection with each series of bonds or obligations (each an “*Undertaking*” and collectively, the “*Undertakings*”). The Undertakings require the District to file annually audited financial statements, if any, and certain financial and operating information and operating data (the “*Annual Reports*”), as well as to report certain financial events. The procedures described below (the “*Procedures*”) are intended to help the District maintain compliance with the Undertakings.

### **1. Responsible Officers and Employees**

The implementation and consistent execution of these procedures are extremely important. One officer or employee of the District should be given primary responsibility for compliance with these Procedures (the “*Disclosure Coordinator*”), and at least two officers or employees (who may include the Disclosure Coordinator, referred to herein collectively as the “*Disclosure Officials*”) should be familiar with and trained to implement these Procedures at all times. When Disclosure Officials end their position or employment with the District, new Disclosure Officials should be named in their place. Typically, this responsibility will be assigned based on role or title, but the District may assign responsibility to any appropriate officer or employee. New Disclosure Officials should be briefed on the Undertakings, dates, reports, and reminder systems described in these Procedures.

### **2. Undertakings and Financial Obligations**

The District is obligated to comply with the requirements of an Undertaking from the time the District executes the Undertaking until the earlier of (i) the date that the last of the bonds or obligations listed in the Undertaking are paid, (ii) the date that the bonds or obligations listed in the Undertaking are defeased or refunded or (iii) the date that the Rule (as defined herein) no longer applies to the bonds or obligations. Undertakings between the dates described in the preceding sentence are “*Active Undertakings*”.

The Undertakings executed after February 26, 2019 require disclosure of facts relating to certain financial obligations (see Section 4 below). For purposes of these Procedures, “*Financial Obligation*” means, with the exception of bonds or obligations for which the District provided a final official statement to the Municipal Securities Rulemaking Board (“*MSRB*”) consistent with the United States Securities and Exchange Commission’s Rule 15c2-12, as amended (the “*Rule*”):

- (i) a debt obligation;
- (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or
- (iii) a guarantee of (i) or (ii).

“*Active Financial Obligations*” are those Financial Obligations which are enforceable against the District and for which the District has not already made all required payments.

The Disclosure Coordinator should maintain an updated list of Active Undertakings and Active Financial Obligations, and review the list periodically to ensure accuracy. When the District enters into a new Undertaking or Financial Obligation, the Disclosure Coordinator will ensure timely reporting (see Section 4 below), if applicable.

### **3. Annual Reports**

Compliance with the Active Undertakings includes ensuring that all of the financial statements, financial and operating information and operating data required by the Active Undertakings are included in the Annual Reports. The information required by the Active Undertakings should be filed no later than the reporting date listed within each Active Undertaking (the “*Annual Reporting Date*”).

To ensure that the Annual Reports are submitted in a timely manner, the earliest Annual Reporting Date should be put into a reminder system, such as a docket, diary or tickler, which is maintained by a minimum of two people (typically, the Disclosure Officials). When those listed on the reminder system leave the District’s employment, new names must be added.

The MSRB allows the District to schedule automated e-mail reminders for these Annual Reports through its Electronic Municipal Market Access system (“EMMA”). The District can add up to three e-mail recipients, so the Disclosure Officials and/or other staff may be included on the reminders.

**Note:** Some issuers of bonds engage an auditor or a dissemination agent to make the EMMA filings. If the District has such an agreement, the District is still responsible if the auditor or dissemination agent fails to timely file the required Annual Report. Thus, even if the auditor or dissemination agent agrees to make the required filings, the District must comply with the Annual Reporting Date and inquire of the District’s auditor or dissemination agent to determine if the filing deadline will be, and ultimately is, met. If there is a substantial risk that the deadline will not be met, it is the District’s responsibility – not that of the District’s auditor or dissemination agent – to file a notice with EMMA indicating that the deadline will not be met and an estimate as to when the Annual Report will be filed. As applicable, if audited financial statements are not available by the Annual Reporting Date, unaudited financial statements must be filed by the Annual Reporting Date until audited financial statements are available. Such unaudited financial statements may be filed separately or together with the other financial and operating information and operating data.

### **4. Listed Events**

The District is required to file notices of “*Listed Events*” with EMMA within ten (10) business days of such Listed Events. Please note that Listed Events enumerated in the District’s existing and future Undertakings may differ. The District should provide notice of the Listed Events for all applicable Active Undertakings. Typically, the most recent Undertaking will provide the broadest requirements and can serve as a reference. Required Listed Events are defined by the Rule, which may be revised or amended in the future. As a result, future Undertakings may require the reporting of a different set of Listed Events. The District should check with its bond counsel at the time future bonds are issued to determine if the Listed Events have been changed and if new Undertakings differ from the District’s existing Active Undertakings. The Listed Events that require notice are listed in the Undertakings and in the Rule. As of the date of implementation of these Procedures, the Rule requires reporting of the following Listed Events:

1. Principal and interest payment delinquencies;
2. Non-payment 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 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 material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
7. Modifications to rights of security holders, if material;
8. Bond calls, if material, and 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 event of the obligated person<sup>1</sup>;
13. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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 or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
16. A default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

Whenever any officer or employee of the District becomes aware of any event that may qualify as a Listed Event, the officer or employee should immediately notify the Disclosure Officials in order to facilitate prompt filing of a notice. If the Disclosure Officials are uncertain as to whether an event qualifies as a Listed Event, including whether a transaction qualifies as a Financial Obligation, or whether an event or Financial Obligation is material, they should contact bond counsel.

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<sup>1</sup> For the purposes of the event identified in paragraph b(5)(i)(C)(12) of the Rule identified as Listed Event 12 above, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for an obligated person 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 obligated person, 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 obligated person.

## APPENDIX

The following materials are intended to serve as a quick reference for Disclosure Officials. The EMMA website is subject to modification by the MSRB. The District's Disclosure Officials should update this information as necessary.

**The District's CUSIP-6 number:** 277484

### **How to schedule alerts for Annual Reports:**

To schedule the alerts, access EMMA at [www.emma.msrb.org](http://www.emma.msrb.org) and click on the EMMA Dataport tab. Click on the "Login" button and enter your login information (User ID and password). From the Continuing Disclosure tab of the EMMA Dataport Submission Portal, click on "Schedule and manage e-mail reminders for recurring financial disclosures." Click the "Create Reminder" link to access the scheduling form.

### **How to file notices of "Listed Events" with EMMA:**

First, please save the Listed Events notice on your computer in a PDF, word-searchable format. You will also need the information contained in the Listed Events notice, so please print out a copy of the Listed Events notice.

1. Login to EMMA at <http://dataport.emma.msrb.org/>
2. Click CREATE Continuing Disclosure Submission
3. Check Event Filing, click Next
4. Check "Type of Event" – In the description box type: "[type of notice]"
5. Check "I don't know my CUSIP-9s" and then use the District's base CUSIP number to find the affected bonds
6. Check "all issues for issuer", click Next
7. Click upload
8. Update contact information, if necessary
9. Upload the Listed Events notice
10. Click preview
11. Publish the documents to EMMA
12. Print receipt and save in your bond documents for the life of the bonds

Please note there is only a limited save option on EMMA. Therefore the District will not be able to start entering the information, exit and continue later.