

RESOLUTION NO. CFD EM1 RES _____

RESOLUTION OF THE BOARD OF DIRECTORS OF EASTMARK COMMUNITY FACILITIES DISTRICT NO. 1 (CITY OF MESA, ARIZONA), APPROVING THE FEASIBILITY REPORT RELATING TO THE ACQUISITION AND FINANCING OF CERTAIN IMPROVEMENTS BENEFITING THE DISTRICT; DECLARING ITS PRELIMINARY INTENTION TO ISSUE NOT TO EXCEED \$14,000,000 OF GENERAL OBLIGATION BONDS TO FINANCE THE ACQUISITION OF CERTAIN IMPROVEMENTS AS DESCRIBED IN THE FEASIBILITY REPORT RELATING TO SUCH IMPROVEMENTS PURSUANT TO THE PROVISIONS OF TITLE 48, CHAPTER 4, ARTICLE 6, ARIZONA REVISED STATUTES, AND ALL AMENDMENTS THERETO.

WHEREAS, pursuant to Arizona Revised Statutes (“A.R.S.”) § 48-715, as amended, the Board of Directors of Eastmark Community Facilities District No. 1 (City of Mesa, Arizona) (the “*District*”), has caused the Report (as such term and all other initially capitalized terms are defined herein) to be prepared relating to certain public infrastructure and public infrastructure purposes (as such terms are defined in the Act, and are referred to collectively herein as “*Public Infrastructure*”) provided for in the General Plan of the District and to be financed with the proceeds of the sale of general obligation bonds of the District, which Report includes, among other things, a description of the Public Infrastructure to be acquired and all other information useful to understand the Project, an estimate of the cost to acquire, operate and maintain the Project, an estimated schedule for completion of the Project, a map or description of the area to be benefited by the Project and a plan and expected method for financing the Project, including the nature and timing of the issuance of bonds, if any, a copy of which is on file with the District Clerk; and

WHEREAS, pursuant to A.R.S. § 48-715, as amended, the District Clerk has, not less than ten (10) days in advance of the date of public hearing on the Report, (i) published notice of the public hearing on the Report and (ii) provided the Report and notice of the public hearing on the Report to the City Council of the City of Mesa, Arizona. A public hearing on the Report was held on the date hereof, after provision for publication of notice thereof as provided by law; and

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

Section 1. Definitions. In this resolution, the following terms shall have the following meanings:

“*Act*” shall mean Title 48, Chapter 4, Article 6, Arizona Revised Statutes, as amended.

“*Bonds*” shall mean the District’s General Obligation Bonds, Series 2020.

“*District*” shall mean Eastmark Community Facilities District No. 1 (City of Mesa, Arizona).

“*District Board*” shall mean this Board of Directors of the District.

“*District Clerk*” shall mean the Clerk of the District.

“*Project*” shall mean the acquisition of the Public Infrastructure described in the Report, including, particularly, the acquisition by the District of the Public Infrastructure described on Exhibit A hereto.

“*Report*” shall mean the Feasibility Report dated September 10, 2020, pertaining to the Project on file with the District Clerk prior to the date and time hereof, discussing the matters required by A.R.S. § 48-715, as amended, as such matters relate to the Project.

Section 2. Approval of Feasibility Report. Published notice of the public hearing on the Report has been provided by the District Clerk not less than ten (10) days in advance of the date of the public hearing on the Report and such publication is hereby ratified and approved. The District Clerk has provided the Report and notice of public hearing on the Report to the governing body of the City of Mesa, Arizona, not less than ten (10) days in advance of the date of the public hearing. Based on the review by this District Board and the presentation of the Report at the public hearing on September 10, 2020, the Report is hereby adopted and approved in the form submitted to this District Board.

Section 3. Resolution of Intent. Pursuant to A.R.S. § 48-715, as amended, this District Board hereby identifies the Public Infrastructure of the Project, the areas benefited, the expected method of financing, including the nature and timing of the issuance of the Bonds, and the system of providing revenues to operate and maintain the Project, all as identified and provided for in the Report, for any and all purposes of the Act. Any portion of the costs of the Project not financed by the proceeds of the Bonds shall remain eligible to be financed through the sale of future bonds of the District should this District Board choose in its sole and absolute discretion to issue any future bonds.

Section 4. Preliminary Intent to Issue and Sell Bonds. This District Board hereby declares its intent to proceed with the financing of the Project in substantially the manner presented in the Report, and if such financing is consummated, to acquire the Project. In accordance with the Report, the Bonds shall be in an amount not to exceed \$14,000,000. Nothing contained in this resolution shall be construed to limit the District Board’s sole and absolute discretion in making its final decision to issue bonds to finance the acquisition of the Project, including the Bonds.

Section 5. No Obligation of City. 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 (as defined in the Act) for the Bonds.

Section 6. Ratification of Actions. All actions of the officers and agents of the District which conform to the purposes and intent hereof and which further the issuance and sale of the Bonds as contemplated hereby whether heretofore or hereafter taken shall be and are hereby ratified, confirmed and approved. The proper officers and agents of the District are hereby authorized and directed to do all such acts and things and to execute and deliver all such documents on behalf of the District as may be necessary to carry out the terms and intent of this resolution.

Section 7. Repeal of Resolution. After any of the Bonds are authenticated and delivered upon receipt of payment therefor in accordance with the proceedings authorizing the issuance of the Bonds, this resolution shall be and remain irrevocable until the Bonds and the interest thereon shall have been fully paid, canceled and discharged.

Section 8. Severability. If any section, paragraph, clause or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions hereof.

Section 9. Effective Date. This resolution shall be effective immediately.

PASSED, ADOPTED AND APPROVED by the Board of Directors of the Eastmark Community Facilities District No. 1 (City of Mesa, Arizona) on September 10, 2020.

ATTEST:

Chairman, Board of Directors

District Clerk

APPROVED AS TO FORM:

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

Attachments: Exhibit A – Description of Project

CERTIFICATE

I hereby certify that the above and foregoing resolution was duly passed by the Board of Directors of Eastmark Community Facilities District No. 1 (City of Mesa, Arizona) at a regular meeting held on September 10, 2020, and that a quorum was present thereat and that the vote thereon was _____ ayes and _____ nays; _____ did not vote or were absent.

District Clerk

EXHIBIT A

“Project” shall mean the acquisition of Public Infrastructure and Public Infrastructure Purposes (as such terms are defined in the Act) described in the Report, including particularly the acquisition by the District of the following, together with all other costs related to the issuance of any Bonds:

| | Acquisition Project Description | Total Estimated Cost | Certified Engineer’s Cost | Paid by the Prior Bonds | Eligible for Funding From the Bonds and Future Bonds | Completion Date ^a |
|---|--|----------------------|---------------------------|-------------------------|--|------------------------------|
| 1 | S883 South Eastmark Parkway | \$3,340,175 | \$3,340,175 | \$0 | \$3,340,175 | 07/2019 |
| | Construction of approximately 3,105 linear feet of half street surface improvements with landscape installed on the east side of the road and within the raised median. The street improvements include one lane in each direction connecting into the existing improvements of South Eastmark Parkway at the south end of the project. Surface improvements include concrete curb and gutter, sidewalk, paving, striping, signage, street lights, street sleeves, entry monuments, landscaping and irrigation. Underground utility improvements include 8-inch sewer, 12-inch sewer, 20-inch potable water (with pipe bonding cathodic protection and isolation flange kits), cathodic protection test stations, 8-inch to 36-inch storm drain, and SRP feeder trench and backfill and Southwest Gas trench only construction. All improvement plans dated June 25, 2018, by the City, which may be amended from time to time to allow for future uses. | | | | | |
| 2 | S884 Great Park Phase 3 | 7,679,537 | 7,679,537 | 0 | 7,679,537 | 11/2019 |
| | Construction of site improvements on approximately 26 acres and includes construction of amenities to include one restroom and office structure with large group ramada; one large group ramada; four baseball fields with backstops, fencing, bleachers and storage containers; two covered tot-lot areas with play structures; two basketball courts; two sand volleyball courts, one volleyball court ramada; one dog park complex with drinking fountain; sports lighting at baseball fields, volleyball courts and basketball courts; and site improvements for civil, hardscape, landscape, irrigation, site electrical and park signage. All improvements are shown on approved plans dated August 14, 2018, by the City, which may be amended from time to time to allow for future uses. | | | | | |
| 3 | S885 & S893 Signal Butte Road and Eastmark Parkway | 3,680,152 | 3,680,152 | 0 | 3,680,152 | 06/2020 |
| | Construction of approximately 3,900 linear feet of east half street surface improvements in Signal Butte Road to include concrete curb, gutter, sidewalk, box culvert extensions, bridge widening, paving, striping, signage, street lights, street sleeves, landscape and irrigation. In addition, construction of approximately 180 linear feet of improvements in Eastmark Parkway to include water service relocation, box culvert extension, entry monument, landscape and irrigation. All improvements shown on approved plans dated December 11, 2018, by the City, which may be amended from time to time to allow for future uses. | | | | | |

| | Acquisition Project Description | Total Estimated Cost | Certified Engineer's Cost | Paid by the Prior Bonds | Eligible for Funding From the Bonds and Future Bonds | Completion Date ^a |
|---|--|----------------------|---------------------------|-------------------------|--|------------------------------|
| 4 | S877 Point Twenty-Two Blvd to Copernicus | 3,554,212 | 3,554,212 | 1,795,738 | 1,758,474 | 08/2019 |

Construction of approximately 2,920 feet of full street surface improvements with landscape installed at back of curb to the detached sidewalk and within the raised median. The street improvements include two lanes in each direction tying into existing Ellsworth Road and Copernicus on either ends with concrete curb and gutter, sidewalk, paving, striping, signage, street lights, street sleeves, landscaping and irrigation. Underground utility improvements include 8 inch sewer, 24 inch potable water with various lateral stubs, 18 inch to 36 inch storm drain, SRP electrical feeder, distribution trench and backfill, and Southwest Gas trench only construction. All improvements are shown on approved plans dated August 30, 2018 by the City, which may be amended from time to time to allow for future uses.

| | | | | | | |
|---|---|---------|---------|---|---------|---------|
| 5 | S880 Point Twenty-Two Blvd Copernicus to Eastmark Parkway | 859,403 | 859,403 | 0 | 859,403 | 08/2019 |
|---|---|---------|---------|---|---------|---------|

Construction of approximately 2,426 feet of the north half street improvements including a small portion of raised and landscaped median not constructed with the south half street improvements. Improvements included concrete curb and gutter, sidewalk, pavement, striping, signage, street lights, traffic signal conduit, street sleeves, landscaping, irrigation tying into existing controller, and storm drain. All improvements are shown on approved plans dated August 30, 2018 by the City, which may be amended from time to time to allow for future uses.

| | | | | | | |
|---|---------------------------|---------|---------|---|---------|---------|
| 6 | S881 Offsite Sewer Warner | 963,080 | 963,080 | 0 | 963,080 | 08/2019 |
|---|---------------------------|---------|---------|---|---------|---------|

Construction of approximately 7,090 feet of 15 inch to 21 inch sewer main, manholes, and lateral stubs. All improvements are shown on approved plans dated February 21, 2018 by the City, which may be amended from time to time to allow for future uses.

| | | | | | | |
|---|--|---------|---------|---|---------|---------|
| 7 | S882 Traffic Signal Modification at Ray Road | 140,839 | 140,839 | 0 | 140,839 | 08/2019 |
|---|--|---------|---------|---|---------|---------|

Installation and equipping of new equipment to modify existing traffic signal at Ellsworth Road and Ray Road North Alignment. All improvements are shown on approved plans dated August 30, 2018 by the City, which may be amended from time to time to allow for future uses.

| | | | | | |
|---------------|---------------------|---------------------|--------------------|---------------------|--|
| Totals | \$20,217,398 | \$20,217,398 | \$1,795,738 | \$18,421,660 | |
|---------------|---------------------|---------------------|--------------------|---------------------|--|

^a Represents the date the Public Infrastructure was constructed, which may differ from the date that it was accepted by the District/City.

* Proceeds of the Bonds are reasonably expected to be used to finance the acquisition of all or a portion of the Project upon acceptance by the District and the City of such Public Infrastructure pursuant to the terms of the Development, Financing Participation, Waiver and Intergovernmental Agreement recorded May 11, 2012 at Document No. 2012-0401237 in the records of Maricopa County,

Arizona, as amended, and the terms and provisions of all applicable laws, ordinances, codes and rules. All interests in such Public Infrastructure financed by the District will be dedicated or otherwise transferred to the City after acceptance. Additional portions of Public Infrastructure, as contemplated by the District's formational documents, may be constructed and will be subject to administrative approval by the District before such Public Infrastructure is eligible for funding from future bonds, if any.