



2023 BUDGET AND ASSESSMENT ANNOUNCEMENT

EASTMARK



December 1, 2022

Dear Eastmark® Homeowner,

On behalf of the Boards of Directors and in compliance with our community's governing documents, the Eastmark Community Alliance, Inc. (the "Alliance"), Eastmark Residential Association, Inc. (the "Association") and Eastmark Community Assembly, Inc. (the "Assembly") produce an annual governance package to share with all Eastmark property owners.

Enclosed in this 2023 governance package, please find the following:

- 1) Budget Summary
- 2) Budgets
- 3) Governance Overview
- 4) Eastmark Assessment & Fee Schedule

The Association would like to take this opportunity to remind residents of the updated Eastmark Design Guidelines. Important changes were made to the standards for Artificial Turf, Permanent Holiday Eave Lights, and Flags. Design Review information can be found at residents.eastmark.com.

Additionally, the Association and Assembly want to take this opportunity to announce the Board of Directors elections. At Eastmark's 2023 Annual Owner meetings on March 1, 2023, Eastmark homeowners will elect one Owner Director to the Eastmark Residential Association Board, as well as one Owner Director to the Eastmark Community Assembly Board. To learn more about the elections, please visit residents.eastmark.com for more information and Frequently Asked Questions. Please watch for additional communication early next year regarding these meetings.

To report a concern, please submit a community concern form on residents.eastmark.com. For questions regarding information within this governance package, please contact your Eastmark Community Life team at era@coherelife.com or 480-367-2626.

On behalf of the Boards of Directors,

Eastmark Community Alliance, Inc. | Eastmark Residential Association, Inc. | Eastmark Community Assembly, Inc.
Managed by Cohere



Eastmark Community Alliance, Inc
Eastmark Residential Association, Inc.
Eastmark Community Assembly, Inc.
2023 Budget Summary
December 1, 2022

Annually, the Boards of Directors for Eastmark Community Alliance, Inc. (the "Alliance"), Eastmark Residential Association, Inc. (the "Association") and Eastmark Community Assembly, Inc. (the "Assembly") prepare annual budgets for the upcoming fiscal year and set an assessment level to meet the fiduciary requirements of each governing entity. This ensures that operating expenses and reserve allocations are adequately funded in accordance with Articles 4 and 7 of the Declarations for the Residential Association and the Alliance and Article 4 of the Eastmark Community Recreation Covenant for the Assembly. (The Alliance, the Association and the Assembly are collectively referred to herein as the "Associations".)

For 2023 the combined monthly assessment for Eastmark will increase \$2, to \$102: this includes the Alliance assessment, which increased \$2, to \$34; the Association assessment of \$64; and the Assembly assessment of \$4.

These budgets reflect the Associations' collective efforts to responsibly manage our resources while fulfilling Eastmark's long-term vision. This includes the Associations' priorities for maintaining our distinguishing landscape and shared spaces, important community amenities such as The Bus Stop and pool, as well as supporting our unique community programs.

Please remember: Assessments are due in full on the 1st of each month, late charges will be assessed after the 15th of the month. If you use an Online Bill Pay service with your bank or credit card, please confirm the withdrawal amount for your monthly assessments beginning January 1, 2023.

The Eastmark Residential Association encourages enrollment in the Automated Clearing House (ACH) Direct Debit program to ensure payments are received and posted between the 5th and 10th of each month. Enrollment authorizes the Association to withdraw the Board approved monthly assessment of \$102 from your checking or savings account. If you have questions regarding ACH enrollment or would like to receive your monthly statements via email in lieu of mailed copies, please contact connect@coherelife.com.

We look forward to an exciting 2023.

By order of the Boards of Directors,

Eastmark Community Alliance, Inc. | Eastmark Residential Association, Inc. | Eastmark Community Assembly, Inc.
Managed by Cohere



**Eastmark Community Alliance, Inc.
2023 Budget**

FEES	
Eastmark Alliance Assessments	\$ 34
REVENUE	
Alliance Dues	\$ 1,789,760
Builder Assessments	\$ 604,920
Other Revenue	\$ 454,417
NET REVENUE	<u>\$ 2,849,097</u>
OPERATING EXPENSES	
Administrative	\$ 550,511
Utilities	\$ 381,847
Landscaping	\$ 1,583,392
Community Engagement	\$ 38,000
Facility Maintenance	\$ 33,223
Communications	\$ 1,933
NET OPERATING EXPENSES	<u>\$ 2,588,906</u>
Reserve Contribution	<u>\$ 552,207</u>
TOTAL SURPLUS (DEFICIT)	<u><u>\$ (292,016)</u></u>



**Eastmark Residential Association, Inc.
2023 Budget**

FEES	
Eastmark Residential Assessments	\$ 64
REVENUE	
Association Dues	\$ 3,367,936
Builder Assessments	\$ 1,139,696
Other Revenue	\$ 405,123
NET REVENUE	<u>\$ 4,912,755</u>
OPERATING EXPENSES	
Administrative	\$ 856,420
Utilities	\$ 1,037,894
Landscaping	\$ 1,745,651
Community Engagement	\$ 3,275
Facility Maintenance	\$ 433,018
Communications	\$ 20,681
NET OPERATING EXPENSES	<u>\$ 4,096,939</u>
Reserve Contribution	<u>\$ 612,734</u>
TOTAL SURPLUS (DEFICIT)	<u><u>\$ 203,082</u></u>



**Eastmark Community Alliance, Inc.
2023 Budget**

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REVENUE	
Alliance Dues	\$ 1,789,760
Builder Assessments	\$ 604,920
Other Revenue	\$ 454,417
NET REVENUE	<u>\$ 2,849,097</u>
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TOTAL SURPLUS (DEFICIT)	<u><u>\$ (292,016)</u></u>



2023 Eastmark® Governance Overview

Eastmark is an innovative community predicated on creating energy and human connection. Growing and maintaining the rich experience of community life at Eastmark is assisted by three distinct, yet complementary, nonprofit entities: Eastmark Community Alliance, Inc. (the “Alliance”), Eastmark Residential Association, Inc. (the “Association”), and Eastmark Community Assembly, Inc. (the Assembly”).

EASTMARK COMMUNITY ALLIANCE, INC.

The Alliance preserves Eastmark’s special commercial landscapes and unique public settings by ensuring that community standards are maintained for an enhanced quality of life.

Governed by a Board of Directors, and overseen by a Community Operations Manager, the Alliance’s responsibility is to enforce the Declaration Covenants, Conditions, Restrictions and Easements for Eastmark (the “Alliance Declaration”).* The Declaration provides a governance structure covering certain limited aspects of the development, administration, maintenance and preservation of Eastmark as well as procedures for future expansion of the community to include additional real property as the Community Declarant deems appropriate.

EASTMARK RESIDENTIAL ASSOCIATION, INC.

The Association preserves Eastmark’s special residential community landscapes and unique neighborhood settings by ensuring that community standards are maintained for an enhanced quality of life. Please contact the Association for questions and suggestions about: governance and operations, assessments and fees, landscape and general maintenance of community common areas and parks, community guidelines including compliance concerns and design review applications.

Governed by a Board of Directors, and overseen by a Community Operations Manager, the Association’s responsibility is to enforce the Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements for Eastmark Residential Community (the “Residential Association Declaration”).* The Residential Association Declaration establishes a flexible system of standards and procedures for the overall development, administration and preservation of the residential portion of Eastmark. All residential property owners are members of the Association.

EASTMARK COMMUNITY ASSEMBLY, INC.

The Assembly fosters unique and outstanding opportunities for social and civic engagement that facilitate shared experiences and lasting traditions. Please contact the Assembly for questions and suggestions about community life including: programs and events, clubs and groups, and volunteer and philanthropic opportunities.

Governed by a Board of Directors, and overseen by an Executive Director, the Assembly administers the Amended and Restated Community Recreation Covenant for Eastmark Residential Community (the “Assembly Covenant”).* The Covenant is a comprehensive plan created for fostering a unified sense of belonging, inclusiveness and pride of place in Eastmark.

COMMUNITY FACILITIES DISTRICT (“CFD”)

The Alliance and Residential Association are responsible for the maintenance of common areas unique to Eastmark including landscape tracts funded by the Eastmark Community Facilities District 1 (Eastmark “CFD”). For more information on the Eastmark CFD, refer to the *CFD Disclosure Statement*.*



ASSESSMENTS AND FEES

The Alliance, Assembly and Association are funded by a predetermined, mandatory monthly assessment collected from all residential property owners. The monthly base assessment as of January 1, 2023 is as follows:

Community Alliance	\$34
Residential Association	\$64
Community Assembly	\$4
TOTAL COMBINED MONTHLY ASSESSMENT	\$102

In addition to the above fees, homes in certain neighborhoods may be subject to additional monthly Neighborhood Assessments for benefits or services provided by the Residential Association not common to all owners.

Note: Other assessments and fees may be applicable as delineated in the governing documents. All assessments and fees, as of January 1, 2023, are subject to change in accordance with the governing documents. Special use and consumption fees may be required for certain amenities, programs, events and activities. Please see the current years' Eastmark Assessment & Fee Schedule.

DESIGN GUIDELINES

To ensure that the character of Eastmark remains true to its original vision, and to maintain consistency in the quality of improvements within the Community, design review is a free and mandatory approval process for owners who want to change or modify the exterior of their home, including front yard landscape modifications. Design review at Eastmark is detailed in a document entitled *Eastmark Design Guidelines*.^{*} Prior approval must be obtained from the Design Review Committee, as outlined in Article 9 of the Residential Association Declaration, before any exterior changes or modifications are made to any residence.

Note: Homeowners who do not secure pre-approval for design review may be subject to a Retroactive Design Review Application Fee. Please see the current years' Eastmark Assessment & Fee Schedule.^{*}

GOVERNING DOCUMENTS

The Alliance Declaration, the Residential Association Declaration, and the Assembly Covenant for Eastmark (collectively, the "Governing Documents") are documents in accordance with Arizona regulations regarding the establishment of nonprofit organizations and cannot be changed without a specific vote by Eastmark property owners. If approved, these changes become amendments and are recorded with the Maricopa County Recorder's Office. Please be advised that failure to abide by the Governing Documents can result in specified legal remedies and/or fine(s). The *Bylaws*^{*} outline the manner in which the Alliance, the Assembly, and the Residential Association are overseen as well as governing internal affairs such as voting, elections and meetings.

^{*}All current Governing Documents, including amendments and supplements, as well as all current financial documents; including budgets, fee schedules, and financial statements, are available on residents.eastmark.com.

CONTACT INFORMATION

480-367-2626 or era@coherelife.com
10100 E. Ray Road, Mesa, AZ 85212 during normal business hours.

This Eastmark Governance Overview is not an offer in any jurisdiction where prior registration or qualification is required. Offer is void where prohibited or otherwise restricted by law. No binding offer to sell or lease may be made or accepted prior to issuance of the final Arizona Subdivision Disclosure Report (the "Public Report") for the property. Lot reservations or conditional sales may only be offered in certain neighborhoods. We suggest you obtain the Public Report, or its equivalent, required by Federal and State law and read it before signing anything. No Federal or State agency has judged the merits or value, if any, of this property. These materials are the features and amenities depicted herein and are based upon current development plans effective as of January 1, 2023 which are subject to change without notice and should not be relied upon as a commitment by the Developer to complete the amenities as proposed or the time when such will be completed, if at all. No guarantee is made that the features and amenities depicted by artist's renderings, or otherwise described, will be built or, if built, will be the same type, size or nature as depicted or described. © January 1, 2023, DMB Mesa Proving Grounds LLC. All rights reserved. The Eastmark® name and logos are trademarks of DMB Mesa Proving Grounds LLC.



Eastmark Community Alliance, Inc.,
 Eastmark Residential Association, Inc. &
 Eastmark Community Assembly, Inc.
 ("Master")

Towns at Eastmark Neighborhood Association ("Towns")
 Element at Eastmark Homeowners Association ("Element")

Adopted November 9, 2022 | Effective January 1, 2023

Master Association Monthly Assessments	
Eastmark Community Alliance, Inc. (Community Alliance Declaration - Article 4, Paragraph 4.1)	\$34
Eastmark Residential Association, Inc. (Residential Association Declaration - Article 7, Paragraph 7.1)	\$64
Eastmark Community Assembly, Inc. (Community Recreation Covenant - Article 4, Paragraph 4.1)	\$4

Sub-Association Monthly Assessments <i>(in addition to Master Monthly Assessments)</i>	
Towns at Eastmark Neighborhood Association [Lennar] (Residential Association Declaration - Article 7, Paragraph 7.3) (Supplemental Residential Declaration for Eastmark DU ^{3/4} , Parcel 18, Paragraph 5)	\$96
Element at Eastmark Homeowners Association [New Home Co] (Residential Association Declaration - Article 7, Paragraph 7.3) (Supplemental Residential Declaration for Eastmark DU 7, Parcel 53, Paragraph 5)	\$64

Special Service Area - Monthly Assessments <i>(in addition to Master Monthly Assessments)</i>	
Innovation Park Neighborhood (Residential Association Declaration - Article 7, Paragraph 7.3) (Supplemental Declarations for Eastmark Parcels 3-1; 3-2; 3-3, Paragraph 5)	\$23
Everton Heights Gated Neighborhood [David Weekley] (Residential Association Declaration - Article 7, Paragraph 7.3) (Supplemental Residential Declaration for Eastmark DU 6, Parcels 6-7 and 6-8, Paragraph 5)	\$34
Inspirian Park Neighborhood Area 1 3, 5 and 6 (Residential Association Declaration - Article 7, Paragraph 7.3) (Supplemental Residential Declaration for Eastmark DU ^{3/4} , Parcels ^{3/4} 1-3, Paragraph 5)	\$25
Inspirian Park Neighborhood Area 2, 7 [Ashton Woods] (Residential Association Declaration - Article 7, Paragraph 7.3) (Supplemental Residential Declaration for Eastmark DU ^{3/4} , Parcels ^{3/4} 1-3, Paragraph 5)	\$23
Inspirian Park Neighborhood Area 9 [Landsea] (Residential Association Declaration - Article 7, Paragraph 7.3) (Amendment to the Supplemental Residential Declaration for Eastmark DU ^{3/4} , Parcels ^{3/4} Phase 4 and 5)	\$25



Delinquency & Legal Fees	
(Community Alliance Declaration - Article 4, Paragraphs 4.10 & 4.11) (Residential Association Declaration – Article 7, Paragraphs 7.11 & 7.12) (Community Recreation Covenant – Article 4, Paragraph 4.11) (Cohere Life, Inc. Management Contract 2022, unless otherwise stated)	
Late Fee (Assessed monthly on the 16th)	\$15
Demand Fee (Assessed after the 2nd month Delinquent)	\$35
Returned Check Fee	\$25
Pre-Lien Fee (Assessed after the 3rd month Delinquent)	\$70
Collection Agent Fee	\$125
Payment Agreement Default Letter	\$85
Record Notice of Lien	\$185
Delinquency Lawsuit	\$275 & up
Post-Judgment Collection Service	\$135 & up

Property Transfer Fees	
(ARS 33-1806 Resale of units; information required; fees; civil penalty; definition) (Cohere, Inc. Management Contract 2022, unless otherwise stated)	
Builder Transfer Fees	
First Home Buyer Transfer Fee; per lot	\$200
Builder Community Recreation Program Fee (Community Recreation Covenant – Article 4, Paragraph 4.7)	\$250
Capital Start-Up Fee – 1/4 of the Annual Residential Association Assessment (Residential Association Declaration – Article 7, Paragraph 7.16)	\$192
Upfront Monthly Assessments Collected at Closing – 2 mo.	\$204
Master Property Transfer Fees	
Resale Transfer Fee	\$300
Resale Disclosure Fee	\$75
Recreation Program Fee (Community Recreation Covenant – Article 4, Paragraph 4.6)	½ of 1% of Gross Sales Price + \$250
Prepaid Monthly Assessment Collected at Closing – 2 mo.	\$204
Innovation Park Neighborhood Prepaid Monthly Assessment Collected at Closing – 2 mo.	\$250
Everton Heights Gated Neighborhood Area [David Weekley] Prepaid Monthly Assessment Collected at Closing – 2 mo.	\$272



Inspirian Park Neighborhood Area 1, 3, 5 and 6 Prepaid Monthly Assessment Collected at Closing – 2 mo.	\$254
Inspirian Park Neighborhood Area 2 and 7 [Ashton Woods] Prepaid Monthly Assessment Collected at Closing – 2 mo.	\$250
Inspirian Park Neighborhood Area 9 [Landsea] Prepaid Monthly Assessment Collected at Closing – 2 mo.	\$254

Towns Property Transfer Fees <i>(in addition to Master Property Transfer Fees)</i>	
Capital Start-up Fee (for new homes only)	\$192
Resale Transfer Fee; per lot	\$375
First Home Buyer Transfer Fee; per lot	\$375
Prepaid Monthly Assessment Collected at Closing – 2 mo.	\$192
Third-Party Disclosure Processing Fee (homewisedocs.com)	\$25/ per disclosure
Element Property Transfer Fees <i>(in addition to Master Property Transfer Fees)</i>	
Resale Transfer Fee	\$375
Prepaid Monthly Assessment Collected at Closing – 2 mo.	\$128
Third-Party Disclosure Processing Fee (homewisedocs.com)	\$25/ per disclosure

Builder-to-Builder Transfer	
Builder-to-Builder Transfer Fee; per lot	\$50
Commercial Property Transfer	
Commercial Property (Community Alliance Declaration – Article 4, Paragraph 4.6)	\$100
Non-Exempt Transfer	
Any Non-Exempt Transfer Other Than a Sale (Community Recreation Covenant – Article 4, Paragraph 4.6.2)	½ of 1% of the Estimated Fair Market Value + \$250

Property Setup Fees	
(ARS 33-1806 Resale of units; information required; fees; civil penalty; definition) (ARS 33-1806.01 Rental property; member and agent information; fee; disclosure) (Cohere Life, Inc. Management Contract 2022, unless otherwise stated)	
Tenant Account Set-up Fee	\$25
Foreclosure Set-up Fee	\$400
Administrative Transfer Set-up Fee (Applicable for exempt RPF Transfers – Community Recreation Covenant, Article 4, Paragraph 4.6.2)	\$75



Third-Party Disclosure Fees (homewisedocs.com)	\$25
Resale Rush Fee – 72 hours	\$100
Resale Update Fee – After 30 days	\$50
Lender Documentation Fee	\$100

Schedule of Monetary Penalties for Noncompliance	
(Residential Association Declaration – Article 4, Paragraph 4.2.2 (iv) & (v))	
Amenity Violation	\$100
Animals & Pets	\$50
Commercial Vehicle, Recreational Vehicle, Inoperable Vehicle Violation	\$150
Exterior Architectural Maintenance; Missing/Damaged Elements	\$150
Landscape Maintenance Violation(s)	\$150
Short-Term Property Rental	\$500
Specific Assessment – Self-Help	\$150 & up
Trash/Recycling Container Stored in Unapproved Location / Unapproved Signage	\$25
Unapproved Architectural Modification(s)	\$200
Vehicular Gate Access Violation	\$100

Design Review Submittal Fees	
(Residential Association Declaration – Article 9, Paragraph 9.2.2)	
Residential or Commercial Application	\$0
Retroactive Design Review Application Fee <i>(non-refundable fee for work completed prior to Design Review Approval)</i>	\$50
Custom Home Design Review Fee	\$4000
Additional Custom Home Reviews – Each submittal	\$250

Vehicular Gate Access Tag	
First & Second Gate Tag – Supplied as a Courtesy for New Owners	\$0
Additional/Replacement Tags	\$35/each

Amenity Access Cards (maximum two (2) per lot)	
First & Second Card – Supplied as a Courtesy for New Owners	\$0
Amenity Access Cards - Replacement	\$25/each



EASTMARK COMMUNITY LIFE

Eastmark Community Alliance, Inc. | Eastmark Residential Association, Inc. | Eastmark Community Assembly, Inc.
10100 E. Ray Road Mesa, AZ 85212 | residents.eastmark.com