

Erie Highlands

Organization of Erie Highlands Metropolitan District
Nos. 1-5

Development of Erie Highlands

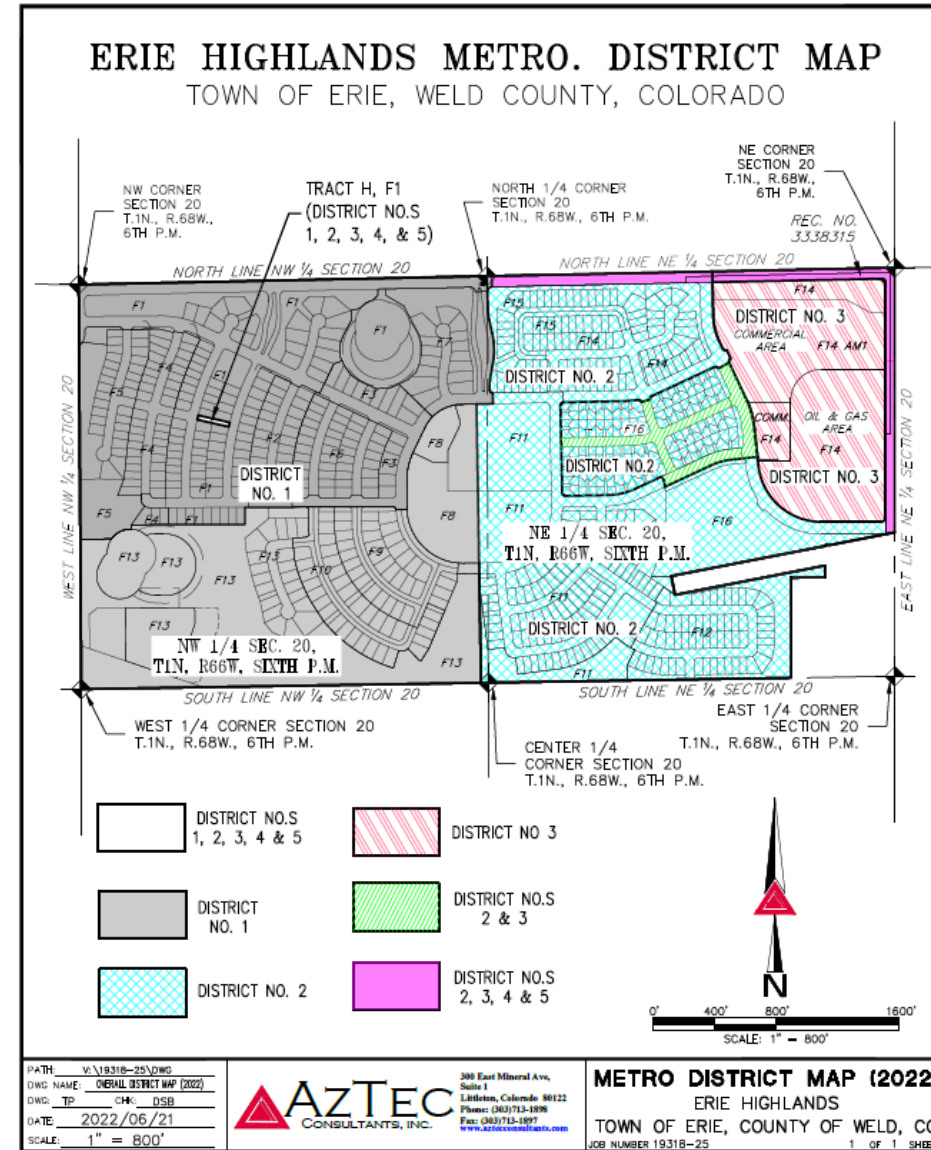
Desire for Separation of District 1 and District 2
from District Nos. 3, 4 and 5

Negotiations for Separation

Settlement Agreement

Future

Erie Highlands – District Boundary Map



Organization of the Erie Highlands Metropolitan District Nos. 1-5

- Organized in 2013 by Oakwood Homes
- Service Plan approved by Town of Erie
- Purpose
 - Financing, construction, maintenance and operation of Public Improvements
- Administrative Structure
 - District 4 was “Operating District”
 - District 1, 2 financed Public Improvements
 - District 3 and 5 – to date, no activity

Development of Erie Highlands

District 1

- Development began in District 1; complete
- District 1 issued bonds in 2015
 - Senior and subordinate
- Refinanced in 2020
 - Senior only

District 2

- Development still underway in District 2
- District 2 issued bonds in 2018
 - Senior, subordinate and junior subordinate

Desire for Separation of District 1 and District 2 from District Nos. 3, 4 and 5

- District 1
 - Homeowner majority on Board of Directors
 - Wanted control over operation of neighborhood
 - Engaged Independent Legal Counsel in January 2023
 - Develop a plan for separation of District 1 (and ultimately, also District 2) from District Nos. 3, 4 and 5

Negotiations for Separation

- Negotiations with District Nos. 3, 4 and 5 and Oakwood Homes began in 2023
- General outline of terms - End of 2023
- District 2
 - Engaged independent legal counsel
- Negotiations continued through 2024
- Settlement Agreement Finalized and Executed December 2024

Settlement Agreement – December 2024

- Primary Terms
 - District 1 and District 2 operate independently from District Nos. 3, 4 and 5
 - District 1 and District 2 will own and operate:
 - Pool and Clubhouse; Community Landscaping and Stormwater Facilities primarily serving District 1 or District 2
 - Payment from Oakwood of \$352,367 to assist with Pool and Clubhouse repairs and deferred landscape maintenance
 - Release of any amounts owed by District 1 or District 2 to Oakwood or District Nos. 3, 4 or 5
 - District 1 and 2 to seek authorization from Town of Erie to impose Service Fee for 2025 through 2029

2025 and the Future

- New Management and Accounting Company – District 1 and 2
 - Special District Management Services, Inc.
- Landscape Improvements
- Pool and Clubhouse Repairs
- Cost Sharing of Community Costs between Districts 1 and 2
- Develop and Refine Budget and Build Capital Reserve

Erie Highlands Metropolitan District Nos. 1 and 2

Questions?