

Public Private Partnership
City of Loveland
and McWhinney
July 6, 2010



- Reduce annual debt service payment on current Metro District bonds
- Create the potential for additional bonds in advance of November elections (Propositions 60 and 61)
- Explore various options – one of which requires City Council permission (not an MFA amendment)
- Optimize Metropolitan District financial strength

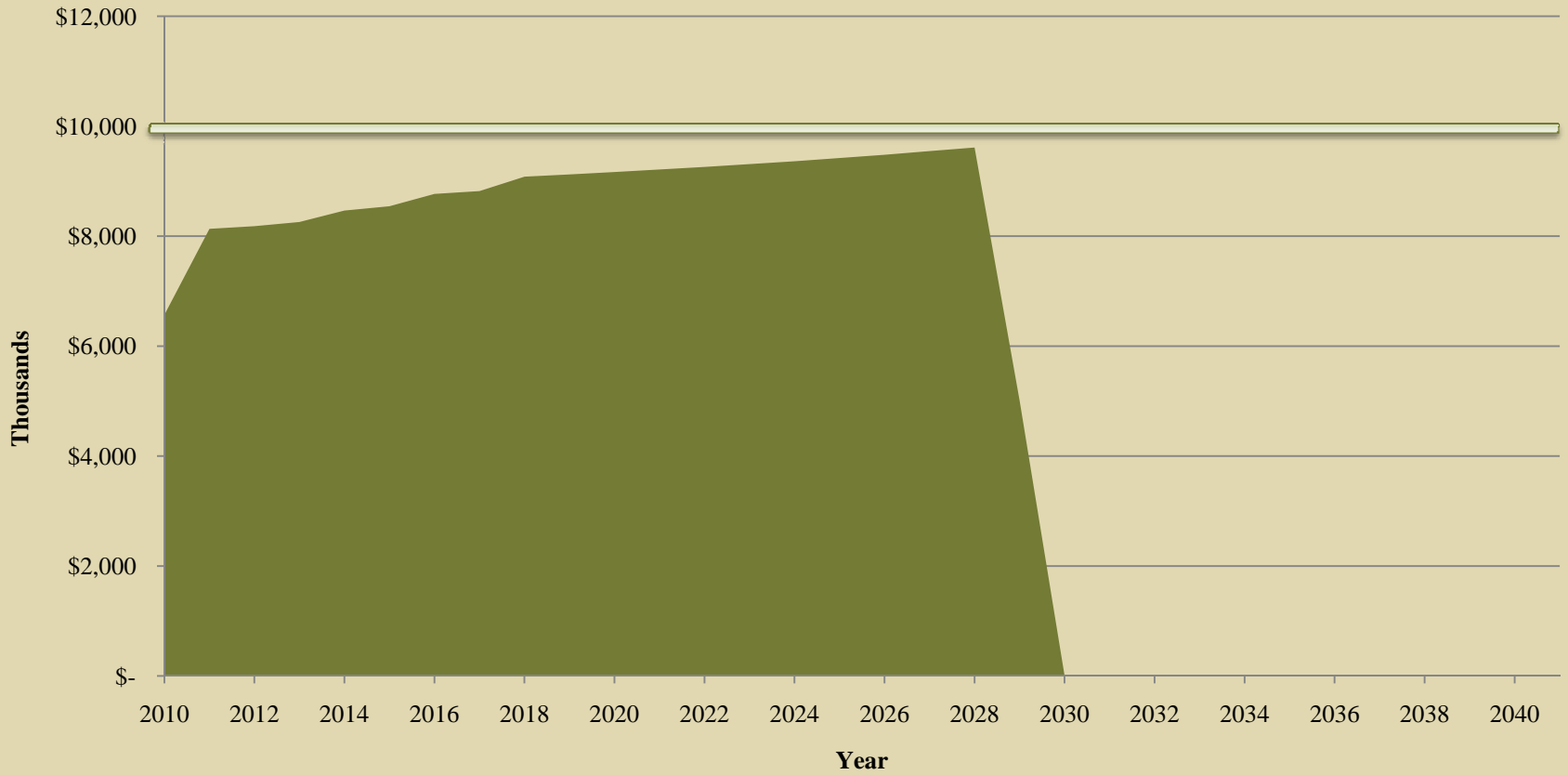
Financing

- State of Colorado statute and Centerra Service Plan outline the expectation to issue 40 year bonds.
 - Centerra Metropolitan District issued 21 year bonds in 2008 to align with 2029 end of the Master Finance Agreement
 - We are considering a refunding that would extend the maturity of the bonds from 2029 to 2040, which is still only 36 years from the date the original bonds were issued in 2004
 - No financial impact on the City of Loveland, as the extended date is “post-MFA”

Financing

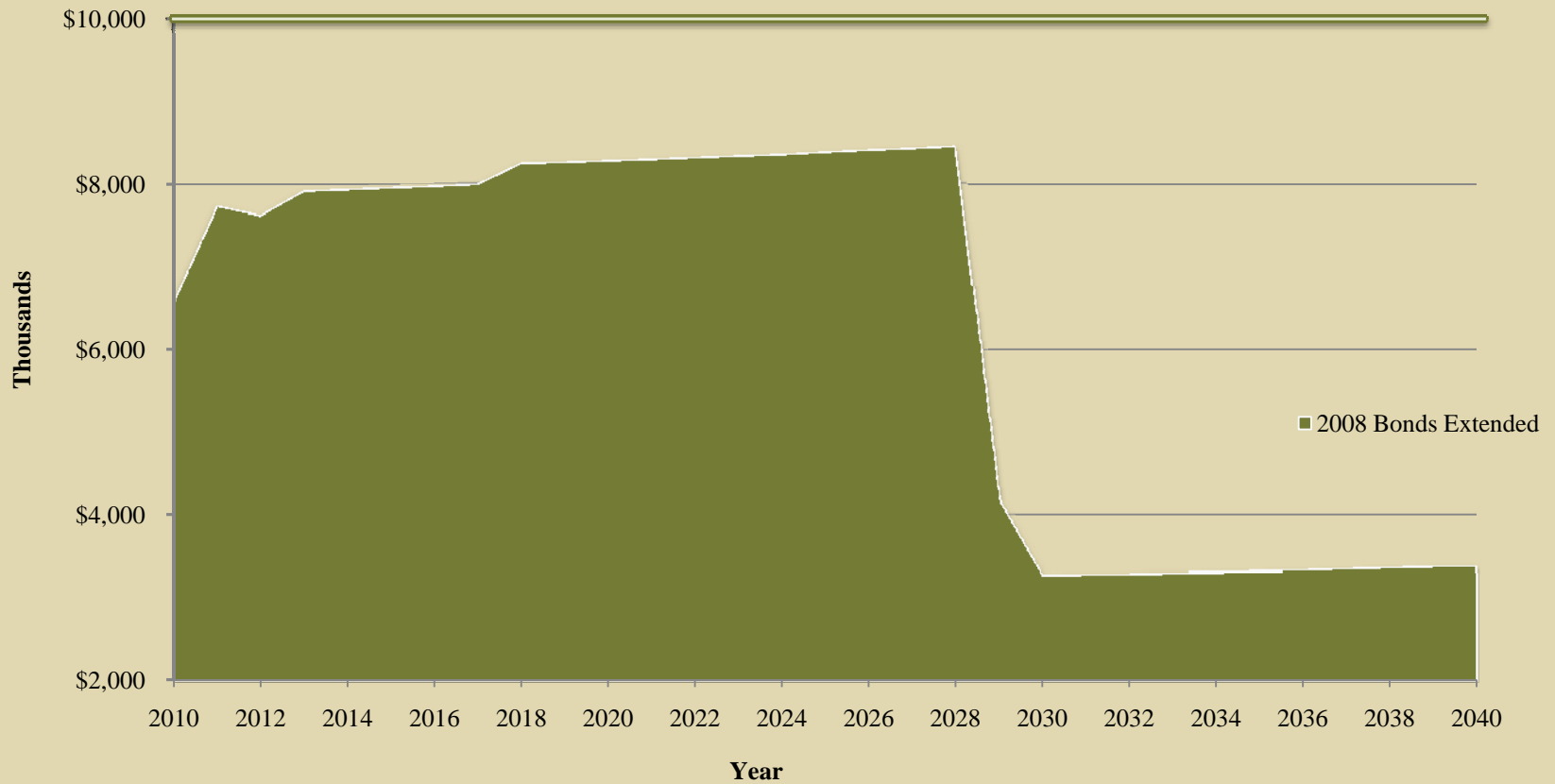
- Centerra Service Plan language requires the Centerra Metropolitan District to request City Council permission if bonds are refinanced with an extended amortization. New bond issues (or a refunding) are reviewed by City Manager, City Attorney, and Bond Counsel.
- Details not yet known regarding terms of potential financing. We request City Council's approval to explore this as a viable option.

Centerra 2008 Bonds Current Debt Schedule



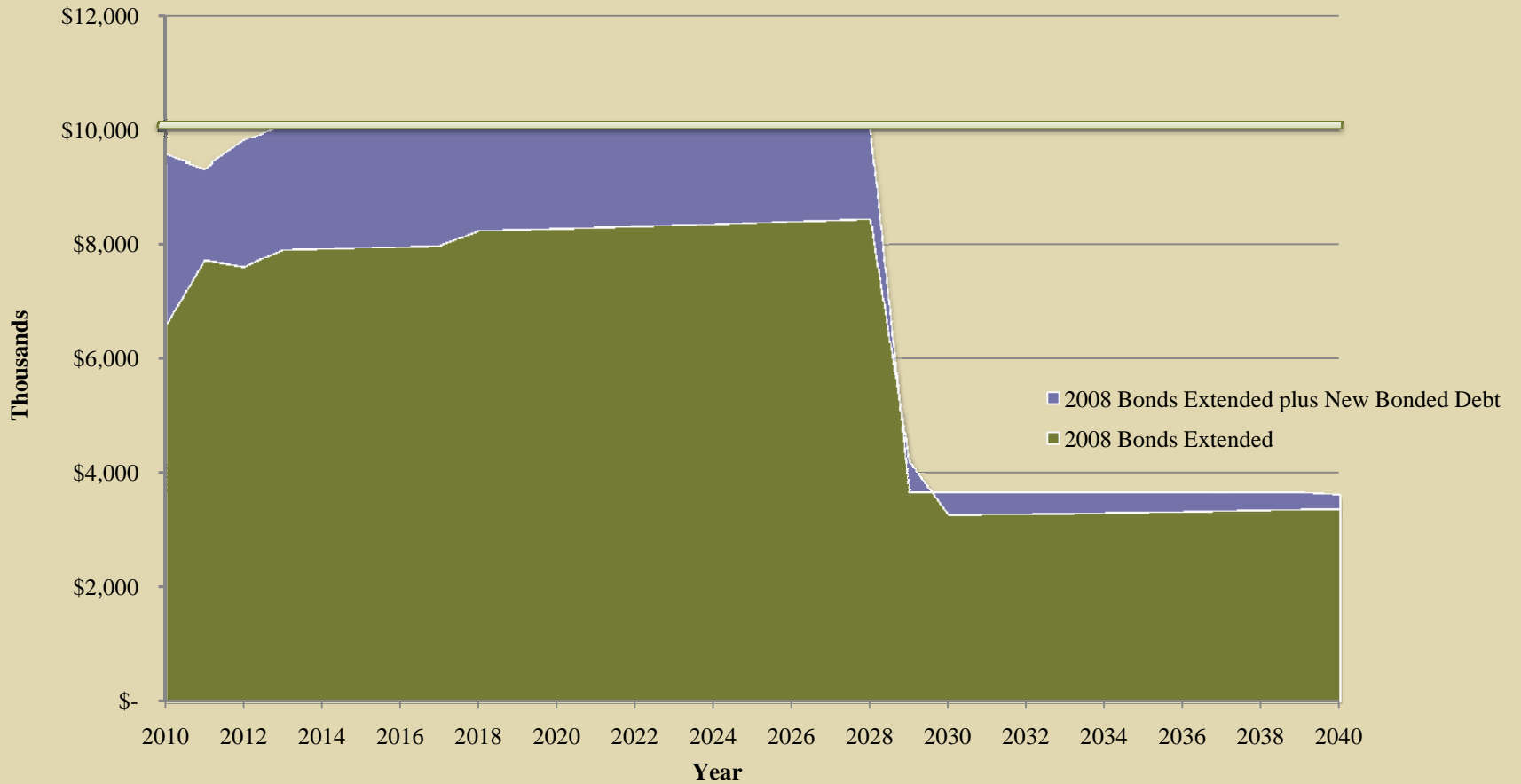
Current Bond Potential Refinancing

Centerra 2008 Bonds Extended



Current Bond Potential Refinancing

Centerra 2008 Bonds Extended and New Bonded Debt



- Permission to extend amortization beyond 2029 with no impact to the City of Loveland.