

RESOLUTION #R-30-2010**A RESOLUTION APPROVING THE CENTERRA METROPOLITAN DISTRICT NO. 1'S REFINANCING OF CERTAIN OUTSTANDING BONDS WHICH REFINANCING SHALL EXTEND THE ORIGINAL MATURITY DATE OF SAID BONDS**

WHEREAS, in Resolution #R-7-2004, dated January 20, 2004, the City Council of the City of Loveland, Colorado approved the Consolidated Service Plan for Centerra Metropolitan Districts Nos. 1-4 (the "Service Plan"); and

WHEREAS, the Service Plan contemplates that the Centerra Metropolitan District No. 1 (the "District") will issue bonds, in one or more series, the proceeds of which will be used to fund the construction of significant public infrastructure benefiting the Centerra development; and

WHEREAS, Section V.E. of the Service Plan estimates that any District bonds, when issued, will mature not more than forty years from the date of issuance of said bonds; and

WHEREAS, Section V.E. of the Service Plan further provides that the District shall not refinance any outstanding District bonds, which refinancing will lengthen the final maturity of such bonds, without the prior written approval of the City Council; and

WHEREAS, in October, 2004, the District issued bonds in the principal amount of \$57,000,000 (the "2004 Bonds"), the proceeds of which were used to fund public infrastructure improvements for the Centerra development; and

WHEREAS, the 2004 Bonds, when issued, had a final maturity date of December 2029; and

WHEREAS, in March 2008, the District issued bonds in the principal amount of \$112,000,000 (the "2008 Bonds"), the proceeds of which were used to refinance the 2004 Bonds and to fund additional public infrastructure projects, including the I-25/US Highway 34 Interim Improvements and a portion of the I-25/Crossroads Boulevard improvements; and

WHEREAS, the 2008 Bonds, when issued, had a final maturity date of December 2029; and

WHEREAS, the refunding portion of the 2008 Bonds did not extend the final maturity of the 2004 Bonds beyond the original maturity date of December 2029; and

WHEREAS, the District has advised the City Council that it is exploring multiple options to optimize its financial position in light of the potential passage by the voters of

the State of Colorado of three ballot initiatives that could limit the District's ability to refinance its existing debt or issue new debt in the future; and

WHEREAS, one of the options the District is considering includes a refinancing of the 2008 Bonds, which refinancing could extend the maturity of said bonds beyond the original maturity date of 2029; and

WHEREAS, the District has requested the City Council's prior written approval to refinance the 2008 Bonds, which refinancing will lengthen the maturity of the 2008 Bonds, as required by Section V.E. of the Service Plan; and

WHEREAS, after reviewing the District's request for the City Council's approval of the District's refinance of the 2008 Bonds and receiving information from City staff and others, the City Council has determined that the District's refinancing of the 2008 Bonds with an extended maturity on the same will be in the best interests of the City and its citizens.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOVELAND, COLORADO:

Section 1. That the City Council finds that approving the District's request to refinance the 2008 Bonds, which refinancing will lengthen the maturity of the 2008 Bonds is in the best interests of the public and will serve the public purposes of (1) providing social and economic benefits to the City; (2) furthering the City's economic goals as established in the City's economic development plan; and (3) generally benefiting the public's health, safety & welfare.

Section 2. That the City Council hereby approves the District refinancing the 2008 Bonds, which refinancing will lengthen the maturity of the 2008 Bonds, provided the lengthened maturity does not extend beyond the limits otherwise provided for in the Service Plan, specifically the forty-year maturity requirement in Section V.E., and by State law.

Section 3. That nothing herein shall be deemed or construed as approval by the City Council of the extension of the maturity of any other District bonds, except for the refinancing of the 2008 Bonds. In addition, nothing herein shall be deemed or construed as the City Council's approval of any amendment to any provision of the Centerra Master Financing Agreement dated January 20, 2004 ("MFA") or of any agreement amending the MFA.

Section 4. That the City Manager is authorized and directed to execute a certificate or such other documentation as may be necessary or convenient to evidence the City Council's approval as set forth in this Resolution and as required by Section V.E. of the Service Plan.

Section 5. That this Resolution shall take effect on the date and at the time of its adoption.

Adopted this 6th day of July, 2010.

Cecil Gutierrez, Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:



City Attorney