

Form 4564	Department of the Treasury Internal Revenue Service Information Document Request	Request Number 03
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To: Centerra Metropolitan District No. 1 c/o McWhinney Enterprises 2725 Rocky Mountain Avenue Loveland, CO 80538	Subject: Form 8038-G
	Submitted to: Josh Kane, CFO Larry L. Carlile, Representative
	Dates of Previous Requests:

Description of Documents Requested:

**Re: Committed Loan in an Amount up \$130,920,000**

Please provide the following requested information by the date indicated below. If you have questions about the information requested or you will not be able to provide the information by the date specified, please contact the requestor identified below. Providing as many of the documents as possible on a CD, DVD or other electronic media will facilitate the examination process.

The following requests consist of new request and clarification or follow up to documents, information, responses provided by you in the previous IDRs issued:

- 1) As stated in the Tax Document and as also reported in financial statements:
  - Approximately one-third of the land comprising Centerra has been in the McWhinney-Hahn family for six generation and, other than the 107 acres relating to the Medical Center of the Rockies, all of the property in the Commercial District (including the Initial Planned Development) and the Residential District is presently owned by McWhinney Holding Company LLLP or affiliated entities (the "McWhinney Entities"). Property within the Residential District is expected to be conveyed by the McWhinney Entities to a residential home builder. Other than with respect to The Shops at Centerra, the McWhinney Entities expect to retain ownership of substantially all of the property relating to, and anticipate being the developer for, all of the Initial Planned Development. With respect to The Shops at Centerra, the property related thereto is expected to be conveyed to a joint venture entity formed by McWhinney Entities and Poag & McEwen Lifestyle Centers, which joint venture will develop The Shops at Centerra.
  - Since the Developer/McWhinney owns the majority of the land within the Initial Planned Development, it has the control of the electors. Does the

Information Due By	<u>6/15/2015</u>	At Next Appointment	Mail In	<input checked="" type="checkbox"/>
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FROM	Name and Title of Requestor Kim H. Chau Internal Revenue Agent      Employee Badge Number: 1000235787	Date: 5/22/2015
	Office Location: Internal Revenue Service TE/GE: TEB: 7886:KC 9350 Flair Drive, 3rd Fl. El Monte, CA 91731	Office Phone#: 626-927-2051 Email: kim.h.chau@irs.gov

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Developer (McWhinney) still controls the electors of Metropolitan Districts, Centerra Public Improvement Collection Corporation (the "PIC"), and the Centerra Public Improvement Development Corporation (the "PID")?

If no, please provide a schedule of all land sold (date, purchaser, amount, and indicate if the party acquiring the land is a related party to the McWhinney-Hann from October 2004 to now.

- 2) Beside the boundary adjustments approved on August 5, 2014, were there any other boundary changes or rezoned related to the land within the Initial Planned Development? If yes, please provide detail.
- 3) District #1:
  - a. You stated that as a result of the boundary change, at least 400 and perhaps as many as 1,000 more potential eligible electors will be added to the District by 2018.
    - i. How many qualified/eligible electors other than the landowners/developers were there prior to this boundary change?
  - b. Please provide the following information
    - i. Please describe if there are any development in the District.
    - ii. What consists of the District?
    - iii. Does the District No.1 has any residence? Any retail or commerical developments? Please explain and provide detail.
- 4) In response to the IDR#2, item #8: You provided a copy of property ownership roster for property relating to the Initial Planned Development.

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			<b>Page 2</b>

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**Description of Documents Requested:**

- a. Please provide the number of acres owned, and voting units held by each Landowner/Developers from October 2004 to now for the following Districts:
  - i. District No. 1-"Service district" (12 acres)
  - ii. District No. 2-"Commercial District" (1,400 acres)
  - iii. District No. 3-"Residential District: (335 acres)
  - iv. District No. 4-"Regional District" (1,400 acres)
  - v. District No. 5-Financing District

5) The following is a summary of the response you provided to the IDR#2, Item 3- Capital Expenditure and Summary Project Information:

d Assets Dedicated to the City	\$46,585,141
Capitalized Assets on Book	40,456,407
Assets-Deletion	8,182,470
Assets-Deletion	<u>4,646,881</u>
Total per the Schedule	99,840,899
Difference	<u>2,970,786</u>
e Total Bonds proceeds allocated to Projects	\$102,811,685

- a. Assets dedicated to the City-\$46,585,141  
 Approximately \$46,585,141 capital assets financed with bond proceeds were transferred to other political subdivisions, particularly the City of Loveland, CO.
  - i. Please describe how these assets transfer were made?

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**Description of Documents Requested:**

- ii. Please provide any/all documents to support the transfer?
- b. Capitalized Assets-\$40,456,404:
  - i. Please provide a schedule for the asset shown on the attachment A. The schedule should include the payee names, amounts, the dates, description of the expenditures.. etc. The schedule should reflect the total amount for each of the asset categories as shown below. (We were not able to tie or reconcile the amount based on the GL provided previously).
- c. Asset Deletions-\$8,182,471/\$4,616,881
  - i. Please provide the detail of asset deletions in the amount of \$8,182,470 and \$4,616,881.
- d. Difference-\$2,970,786:
  - i. Please explain why there is a difference in amount of \$2,970,786 in the project fund account.
  - ii. Please provide any/all documents to substantiate these differences.
- e. The summary detail of Capital Expenditure and Summary Project Information you provided in Item#3 on the IDR#2 indicated that there was bond issuance in 2014 in the amount of \$128,200,000.
  - i. Please provide cusip number and/or the Official Statement.

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Larry L. Carlile, Representative

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- 6) Were the 2004 and 2008 Bonds also privately placed with the Bank Purchasers?
- 7) Please provide the Redemption Notices of 2004 and 2008 Bonds
- 8) We will call you to schedule a date for a tour of the facilities financed with bond proceeds.

*Additional information may be requested at a later date if needed.*

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<b>Page 5</b>				

Centerra Metropolitan District No. 1  
Fixed Asset & Depreciation Schedule  
12/31/2013

IDR#3, Item #5 b.

Attachment A

	<u>Description</u>	<u>Beginning Balance</u>
<b>Depreciable</b>		
	Total Landscaping	8,726,631.24
	Total Monumentation	4,550,217.66
	Total Promenade	20,988,826.00
	Total Street	673,694.91
	Sanitary Sewer & Storm Drainage	118,843.00
	<b>Total - Depreciable</b>	<b>35,058,212.81</b>
<b>Non-Depreciable</b>		
	Total Water Rights	3,423,082.20
	Construction in Progress	1,827,625.58
	Kendall Parkway Underpass Design	85,213.00
	Sanitary Sewer & Storm Drainage	62,270.99
	Total - CIP	1,975,109.57
	<b>Total - Non-Depreciable</b>	<b>5,398,191.77</b>
	<b>Total</b>	<b>40,456,404.58</b>