

**FIRST AMENDMENT TO
SERVICE PLAN
FOR
SOUTHLANDS METROPOLITAN DISTRICT NO. 1
ORIGINALLY APPROVED BY THE CITY OF AURORA, COLORADO
ON SEPTEMBER 9, 2002**

Prepared by:

White, Bear & Ankele
Professional Corporation
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As approved by the City of Aurora
on

July 16, 2007

I. INTRODUCTION

This First Amendment to the Service Plan (this "First Amendment") for Southlands Metropolitan District No. 1 (the "District"), constitutes an amendment to provisions of the original service plan for the District (the "Original Service Plan") dated as of September 3, 2002, and approved by the City of Aurora (the "City") on September 9, 2002. The District was organized pursuant to the terms of the Original Service Plan to serve the needs of the Southlands development and existing community. This First Amendment is intended to be read in conjunction with the Original Service Plan. Unless specifically defined herein, all terms shall have the same meaning as set forth in the Original Service Plan.

The Original Service Plan limits the District to issuance of general obligation debt in an amount not to exceed \$38,700,000 (the "Debt Limit") and Debt and operations and maintenance expenses are payable from general *ad valorem* taxes in an aggregate amount not to exceed 45.29 mills, subject to adjustment as permitted therein (the "Mill Levy Cap"). For purposes of the Original Service Plan and this First Amendment, "Debt" includes all bonds, notes, contracts or other financial obligations, whether of a multiple fiscal year or annually appropriated nature, incurred by the District and payable in whole or in part from *ad valorem* taxes for the purpose of financing, acquiring, constructing or improving any of the improvements contemplated therein.

Unless specifically defined or amended herein, all terms shall have the meaning afforded to them as set forth in the Original Service Plan.

II. PREVIOUS ISSUANCES OF DEBT AND ELECTION AUTHORIZATION

The District currently has the following general obligation Debt outstanding:

General Obligation Bonds, Series 2004 - \$35,225,000 (the "2004 Bonds").

At a TABOR election held in 2002, the District's electors authorized the issuance of Debt as follows:

<u>Purpose</u>	<u>Principal Amount</u>	<u>Repayment Amount</u>	<u>Annual Tax Increase</u>
Street	\$41,400,000	\$339,480,000	\$48,852,000
Sanitary Sewer	\$4,885,000	\$40,057,000	\$5,764,300
Park & Rec.	\$7,625,000	\$65,525,000	\$8,997,500
Traffic & Safety Controls	\$1,995,000	\$16,359,000	\$2,345,000
Transportation	\$2,505,000	\$20,541,000	\$2,955,900
Water	\$4,590,000	\$37,638,000	\$5,416,600
Refunding	\$49,000,000	\$401,800,000	\$57,820,000

III. THE PROPOSED CHANGE AND THE PURPOSE FOR THE CHANGE

The Board of Directors of the District (the "Board") desires to refund the District's 2004 Bonds and raise additional capital in the amount of approximately \$10,291,000 by issuing approximately \$55,950,000 of Bonds in 2007 (the "2007 Bonds"). The Board intends to refund the 2004 Bonds which currently have an interest rate of between 6.750% to 7.125%, with the Series 2007 Bonds which are anticipated to have a reduced interest rate of between 4.000% to 4.500%, resulting in a present value savings of approximately \$2,954,194. The 2007 Bonds are anticipated to be fully insured or may be unrated, and secured by an unlimited mill levy of the District.

In support of the proposed refunding, an updated financial pro-forma is attached hereto as Exhibit A, (the "2007 Financial Plan"), and incorporated herein by this reference. The 2007 Financial Plan assumes a continued conservative growth rate within the District, and under this scenario, the debt service mill levy for budget years 2008 through 2034 is expected to be 39.80 mills.

The purpose of this First Amendment is to allow issuance of the 2007 Bonds based upon an increase in the District's Service Plan Debt Limit and permission for the District to pledge an unlimited mill levy to payment of the 2007 Bonds, which will permit the refunding of the 2004 Bonds and raise an additional amount of net proceeds as described above. The District's current Service Plan Debt Limit in the amount of \$38,700,000 limits the ability of the District to refund the 2004 Bonds and issue new Debt in amounts sufficient to permit the District to fund the necessary public improvements and facilities.

Under the Original Service Plan, the current Mill Levy Cap of 45.29 mills is permitted to be removed at the time at which "Non-Developer Debt" is less than fifty-percent (50%) of the District's assessed valuation, either on the date of issuance or at any time thereafter. This limitation restricts the ability of the District to properly structure the 2007 Bonds to achieve as much cost savings as might be achieved through an unlimited mill levy. Removing the Mill Levy Cap is expected to provide a bond insurer with adequate security for insuring the 2007 Bonds or for a lower interest rate on non rated bonds, which will result in a decline in the required debt service mill levy based upon the lower interest rate associated with the 2007 Bonds.

As further support for the 2007 Bonds, it is anticipated that the Board will include additional real property within the boundaries of the District, described on the attached Exhibit B and incorporated by this reference. Current development plans for such property provide for a large format retail store of approximately 117,000 square feet. This inclusion will result in an increase in assessed valuation and property tax revenues that will ultimately be available to the District to support the 2007 Bonds. Such boundary adjustment shall not require the further approval of the City and shall not constitute a material modification to either the Original Service Plan or this First Amendment.

IV. AMENDMENT

Section V. "Financial Plan" is amended and restated in its entirety as follows:

FINANCIAL PLAN

The District shall be authorized to finance part or all of the improvements authorized to be planned, designed, acquired, constructed, installed, relocated, redeveloped and financed as generally described in the Special District Act (the "Public Improvements") to serve the future taxpayers and inhabitants of the District, as determined by the Board of the District, that can be funded from Debt to be repaid from fees or from tax revenues collected from a mill levy on commercial and residential properties.

A. General.

The District shall be authorized to provide for the planning, design, acquisition, construction, installation, relocation and/or redevelopment of the Public Improvements from its revenues and by and through the proceeds of Debt to be issued by the District. The "Financial Plan" for the District shall be to issue such Debt as the District can reasonably pay within the Debt Issuance Limitation from revenues derived from the unlimited District mill levy, fees and other legally available revenues. The total Debt that the District shall be permitted to issue shall not exceed Sixty Million Dollars (\$60,000,000) (the "Debt Issuance Limitation") and shall be permitted to be issued on a schedule and in such year or years as the District determines shall meet the needs of the Financial Plan referenced above and phased to serve development as it occurs.

All bonds and other Debt issued by the District may be payable from any and all legally available revenues of the District, including unlimited general ad valorem taxes and fees to be imposed upon all real or personal property within the District subject to ad valorem taxes. The District will also rely upon various other revenue sources authorized by law. These will include the power to assess fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(1), C.R.S., as amended from time to time.

The obligations of the District in IGAs concerning the funding and/or operations of the District's public improvements and services, for which voter approval will be obtained to the extent required by law, will not count against the Debt Issuance Limitation, nor shall any Revenue Obligations payable from rates, fees, tolls and charges issued by the District. Increases necessary to accomplish a refunding, reissuance or restructuring of General Obligation Debt shall also not count against the Debt Issuance Limitation.

B. Maximum Voted Interest Rate and Maximum Underwriting Discount.

The interest rate on any Debt is expected to be the market rate at the time the Debt is issued. In the event of a default, the proposed maximum interest rate on any Debt is not expected to exceed eighteen percent (18%). The proposed maximum underwriting discount will be five percent (5%). Debt, when issued, will comply with all relevant requirements of this Service Plan, State law and Federal law as then applicable to the issuance of public securities.

C. Debt Repayment Sources.

The District may impose an unlimited mill levy on taxable property within its boundaries as a primary source of revenue for repayment of debt service and for operations and maintenance. The District may also rely upon various other revenue sources authorized by law. At the District's

discretion, these may include the power to assess fees, rates, tolls, penalties, or charges as provided in Section 32-1-1001(l)(j), C.R.S., as amended from time to time.

D. Security for Debt.

The District shall not pledge any revenue or property of the City as security for the indebtedness set forth in this First Amendment. Approval of this First Amendment shall not be construed as a guarantee by the City of payment of any of the District's obligations; nor shall anything in the Service Plan or this First Amendment be construed so as to create any responsibility or liability on the part of the City in the event of default by the District in the payment of any such obligation.

E. TABOR Compliance.

The District will comply with the provisions of TABOR. In the discretion of the Board, the District may set up other qualifying entities to manage, fund, construct and operate facilities, services, and programs. To the extent allowed by law, any entity created by the District will remain under the control of the District's Board.

V. **RESOLUTION**

Except as specifically amended as set forth above, all other provisions of the Original Service Plan shall remain in full force and effect.

It is requested that the City of Aurora adopt a resolution of approval of this First Amendment based upon the information tendered herewith.

Respectfully submitted,

WHITE, BEAR & ANKELE
Professional Corporation


Kristen D. Bear
Counsel to the District

EXHIBIT A
Financial Plan

SOUTHLANDS METROPOLITAN DISTRICT #1
 Sc. 2 Development Projection at 39.60 Mills for Debt Service
 Ser. 2007 Refunding & Improvement Bonds, Insured, 2034 final maturity

YEAR	Platted/Developed Lots		Commercial		Total Assessed Value	Mill Levy for Debt Service	Total Collections @ 8%	Specific Ownership Tax @ 8% of Prop. Taxes	Total Available Revenue	Ser. 2004 \$35,225,000 Par Net Debt Service	Ser. 2007 \$55,650,000 Par (Net \$10,231 MM) Net Debt Service	Annual Surplus	Surplus Release @ 1% DIA to \$100,000	Cumulative Surplus \$250,000 Target	Senior Debt-to-Assessed Ratio
	As'd Value @ 28% of Market Value (2-yr lag)	Mkt Value	As'd Value @ 2% of Market Value (2-yr lag)	Biennial Reassessmt @ 2%											
2005	\$19,473,000	\$65,312,897	\$0	\$0	\$0	\$0	\$0	\$0	\$0			0	0	3,000,000	n/a
2006	\$994,500	165,517,241	30,387,910	39,800	\$0	\$0	\$1,185,250	\$94,820	1,352,610	1,243,078	\$566,569	(477,037)	(477,037)	2,522,983	n/a
2007	0	273,937,003	48,288,405	39,800	247,407,740	39,800	1,883,441	150,675	2,034,116	[refunded by Ser-'07]	2,427,181	(393,065)	(393,065)	2,129,898	116%
2008	0	273,937,003	77,884,050	39,800	48,000,000	39,800	3,037,789	243,023	3,280,813		3,421,181	(1,369)	0	2,128,529	116%
2009	0	279,415,744	79,441,731	39,800	77,884,050	39,800	3,098,545	247,884	3,346,429		3,347,981	(1,552)	0	2,128,977	89%
2010	0	279,415,744	79,441,731	39,800	79,441,731	39,800	3,098,545	247,884	3,346,429		3,344,781	1,648	0	2,128,625	89%
2011	0	285,004,058	81,030,568	39,800	81,030,568	39,800	3,160,516	252,841	3,413,357		3,415,181	(1,824)	0	2,126,801	89%
2012	0	290,704,140	82,651,177	39,800	82,651,177	39,800	3,223,727	257,898	3,481,625		3,411,181	2,178	0	2,128,977	64%
2013	0	286,518,222	84,304,200	39,800	84,304,200	39,800	3,266,201	265,056	3,531,257		3,480,581	1,043	0	2,130,021	62%
2014	0	296,518,222	84,304,200	39,800	84,304,200	39,800	3,288,201	265,056	3,551,257		3,480,381	1,243	0	2,131,264	60%
2015	0	302,448,587	85,990,284	39,800	85,990,284	39,800	3,353,965	269,317	3,622,282		3,550,981	(1,924)	0	2,129,340	57%
2016	0	302,448,587	85,990,284	39,800	85,990,284	39,800	3,353,965	269,317	3,622,282		3,621,581	701	0	2,129,616	56%
2017	0	308,497,559	87,710,090	39,800	87,710,090	39,800	3,421,044	273,684	3,694,728		3,622,944	(661)	0	2,129,655	51%
2018	0	314,667,510	89,464,292	39,800	89,464,292	39,800	3,489,465	279,157	3,768,622		3,693,331	(1,803)	0	2,128,052	48%
2019	0	320,960,860	91,253,578	39,800	91,253,578	39,800	3,559,255	284,740	3,769,622		3,683,555	1,172	0	2,129,223	46%
2020	0	327,380,077	93,078,649	39,800	93,078,649	39,800	3,630,440	290,435	3,920,875		3,671,584	1,029	0	2,128,831	41%
2021	0	333,927,678	94,940,222	39,800	94,940,222	39,800	3,703,048	296,244	3,999,292		3,770,044	(1,421)	0	2,126,844	37%
2022	0	340,606,232	96,839,027	39,800	96,839,027	39,800	3,777,109	302,169	4,079,278		3,845,981	(1,886)	0	2,126,358	35%
2023	0	347,418,357	98,775,807	39,800	98,775,807	39,800	3,852,652	308,212	4,160,864		3,844,481	(886)	0	2,128,627	32%
2024	0	354,366,724	100,751,323	39,800	100,751,323	39,800	3,928,705	314,376	4,244,081		3,918,608	2,269	0	2,129,645	29%
2025	289,108,827		93,152,120	7,452,170	100,610,997	39,800	3,999,292	302,169	4,079,278	1,243,078	4,001,075	1,019	0	2,127,863	25%
2026						39,800	3,777,109	302,169	4,079,278		3,999,800	(608)	0	2,127,255	22%
2027						39,800	3,777,109	302,169	4,079,278		4,077,875	1,403	0	2,128,658	19%
2028						39,800	3,852,652	308,212	4,160,864		4,081,175	(1,897)	0	2,126,761	15%
2029						39,800	3,852,652	308,212	4,160,864		4,167,725	3,139	0	2,129,900	12%
2030						39,800	3,852,652	308,212	4,160,864		4,158,925	1,939	0	2,131,839	8%
2031						39,800	3,928,705	314,376	4,244,081		4,242,700	1,381	0	0	4%
2032						39,800	3,928,705	314,376	4,244,081						
2033						39,800	3,928,705	314,376	4,244,081						
2034						39,800	3,928,705	314,376	4,244,081						

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SOUTHLANDS METROPOLITAN DISTRICT #1

Development Projection (updated 4/9/07)

YEAR	QTR	Res Commercial				Commercial (Lowe's Inclusion)				Commercial Summary			
		SF Devel'd	Incr/(Decr) in Finished Lot Value @ 10%	Square Ft Completed	Price per Sq Ft, per Sq Ft, Inflated @ 2%	Market Value	Total Commercial Market Value	Cumulative Commercial Market Value	Total Commercial SF Completed	Commercial Facility Fees @ \$0.62/SF	Value of Platted / Developed Lots		
2005		0	\$0	0	\$0.00	\$0	\$85,312,897	85,312,897	0	\$0	\$19,473,000		
2006		117,000	994,500	0	\$0.00	0	0	85,312,897	0	0	(18,478,500)		
2007		0	(994,500)	117,000	85.00	9,945,000	9,945,000	95,257,897	117,000	72,540	(994,500)		
2008		0	0	0	86.70	0	0	95,257,897	0	0	0		
2009		0	0	0	88.43	0	0	95,257,897	0	0	0		
2010		0	0	0	90.20	0	0	95,257,897	0	0	0		
2011		0	0	0	92.01	0	0	95,257,897	0	0	0		
2012		0	0	0	93.85	0	0	95,257,897	0	0	0		
2013		0	0	0	95.72	0	0	95,257,897	0	0	0		
2014		0	0	0	97.64	0	0	95,257,897	0	0	0		
2015		0	0	0	99.59	0	0	95,257,897	0	0	0		
2016		0	0	0	101.58	0	0	95,257,897	0	0	0		
2017		0	0	0	103.61	0	0	95,257,897	0	0	0		
2018		0	0	0	105.69	0	0	95,257,897	0	0	0		
2019		0	0	0	107.80	0	0	95,257,897	0	0	0		
		117,000	0	117,000		9,945,000	95,257,897		117,000	72,540	0		

SOURCES AND USES OF FUNDS
SOUTHLANDS METROPOLITAN DISTRICT #1
SER. 2007 G.O. REFUNDING BONDS
Insured, 2034 final maturity
Advance refunding of Ser. 2004 plus max new money
(v. 2 with Lowe's inclusion in AV)

Dated Date 09/04/2007
Delivery Date 09/04/2007

Sources:

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Bond Proceeds:	
Par Amount	55,950,000.00
Original Issue Discount	-1,513,619.80
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	<u>54,436,380.20</u>
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Uses:

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Project Fund Deposits:	
Project Fund Deposit	10,291,217.95
Refunding Escrow Deposits:	
Cash Deposit	0.93
SLG Purchases	40,904,156.00
	<u>40,904,156.93</u>
Delivery Date Expenses:	
Radian Bond Insurance Premium (@ 100 bps)	1,003,005.32
Costs of Issuance	2,238,000.00
	<u>3,241,005.32</u>
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	<u>54,436,380.20</u>
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SUMMARY OF REFUNDING RESULTS

**SOUTHLANDS METROPOLITAN DISTRICT #1
SER. 2007 G.O. REFUNDING BONDS
Insured, 2034 final maturity
Advance refunding of Ser. 2004 plus max new money
(v. 2 with Lowe's inclusion in AV)**

Dated Date	09/04/2007
Delivery Date	09/04/2007
Arbitrage yield	4.784542%
Escrow yield	4.670749%
Bond Par Amount	55,950,000.00
True Interest Cost	4.625151%
Net Interest Cost	4.557424%
All-In TIC	5.156438%
Average Coupon	4.407019%
Average Life	17.987
Par amount of refunded bonds	35,225,000.00
Average coupon of refunded bonds	7.091073%
Average life of refunded bonds	19.548
PV of prior debt to 09/04/2007 @ 4.784542%	45,736,351.30
Net PV Savings	2,594,194.37
Percentage savings of refunded bonds	7.364640%
Percentage savings of refunding bonds	4.636630%

SAVINGS

**SOUTHLANDS METROPOLITAN DISTRICT #1
SER. 2007 G.O. REFUNDING BONDS
Insured, 2034 final maturity
Advance refunding of Ser. 2004 plus max new money
(v. 2 with Lowe's inclusion in AV)**

Date	Prior Debt Service	Refunding Debt Service	Savings	Annual Savings	Present Value to 09/04/2007 @ 4.7845417%
12/01/2007	1,243,078.13	586,568.80	656,509.33		649,050.42
06/01/2008	1,243,078.13	1,213,590.63	29,487.50		28,471.37
12/01/2008	1,243,078.13	1,213,590.63	29,487.50	58,975.00	27,806.17
06/01/2009	1,243,078.13	1,213,590.63	29,487.50		27,156.51
12/01/2009	1,488,078.13	2,068,590.63	-580,512.50	-551,025.00	-522,132.12
06/01/2010	1,234,809.38	1,196,490.63	38,318.75		33,659.91
12/01/2010	1,549,809.38	2,151,490.63	-601,681.25	-563,362.50	-516,179.75
06/01/2011	1,224,178.13	1,177,390.63	46,787.50		39,201.00
12/01/2011	1,559,178.13	2,167,390.63	-608,212.50	-561,425.00	-497,686.06
06/01/2012	1,212,871.88	1,157,590.63	55,281.25		44,178.48
12/01/2012	1,627,871.88	2,257,590.63	-629,718.75	-574,437.50	-491,487.42
06/01/2013	1,198,865.63	1,135,590.63	63,275.00		48,231.50
12/01/2013	1,643,865.63	2,275,590.63	-631,725.00	-568,450.00	-470,283.24
06/01/2014	1,183,846.88	1,112,790.63	71,056.25		51,661.44
12/01/2014	1,713,846.88	2,367,790.63	-653,943.75	-582,887.50	-464,341.48
06/01/2015	1,165,959.38	1,087,690.63	78,268.75		54,277.31
12/01/2015	1,730,959.38	2,392,690.63	-661,731.25	-583,462.50	-448,171.65
06/01/2016	1,146,890.63	1,081,590.63	65,300.00		56,421.50
12/01/2016	1,806,890.63	2,491,590.63	-684,700.00	-599,400.00	-442,311.99
06/01/2017	1,124,615.63	1,032,990.63	91,625.00		57,806.30
12/01/2017	1,829,615.63	2,517,990.63	-688,375.00	-596,750.00	-424,149.66
06/01/2018	1,099,940.63	1,003,290.63	96,650.00		58,160.58
12/01/2018	1,914,940.63	2,618,290.63	-703,350.00	-606,700.00	-413,362.60
06/01/2019	1,071,415.63	968,971.88	102,443.75		58,800.09
12/01/2019	1,941,415.63	2,653,971.88	-712,556.25	-610,112.50	-399,433.50
06/01/2020	1,040,965.63	933,165.63	107,800.00		59,016.97
12/01/2020	2,035,965.63	2,763,165.63	-727,200.00	-619,400.00	-388,816.65
06/01/2021	1,006,140.63	894,278.13	111,862.50		58,412.84
12/01/2021	2,071,140.63	2,799,278.13	-728,137.50	-616,275.00	-371,338.55
06/01/2022	968,865.63	853,796.88	115,068.75		57,312.17
12/01/2022	2,188,865.63	2,913,796.88	-744,931.25	-629,862.50	-362,358.52
06/01/2023	926,865.63	810,021.88	116,843.75		55,508.64
12/01/2023	2,211,865.63	2,960,021.88	-748,156.25	-631,312.50	-347,120.49
06/01/2024	881,890.63	762,990.63	118,900.00		53,876.90
12/01/2024	2,316,890.63	3,082,990.63	-766,100.00	-647,200.00	-339,030.72
06/01/2025	831,665.63	712,240.63	119,425.00		51,615.68
12/01/2025	2,366,665.63	3,132,240.63	-765,575.00	-646,150.00	-323,152.10
06/01/2026	776,981.25	659,303.13	117,678.12		48,511.84
12/01/2026	2,486,981.25	3,259,303.13	-772,321.88	-654,643.76	-310,944.75
06/01/2027	716,062.50	602,428.13	113,634.37		44,681.47
12/01/2027	2,546,062.50	3,317,428.13	-771,365.63	-657,731.26	-296,217.58
06/01/2028	650,868.75	543,037.50	107,831.25		40,441.57
12/01/2028	2,675,868.75	3,458,037.50	-782,168.75	-674,337.50	-286,494.74
06/01/2029	578,728.13	477,450.00	101,278.13		36,229.70
12/01/2029	2,748,728.13	3,522,450.00	-773,721.87	-672,443.74	-270,312.86
06/01/2030	501,421.88	408,937.50	92,484.38		31,556.08
12/01/2030	2,891,421.88	3,668,937.50	-777,515.62	-685,031.24	-259,093.56
06/01/2031	416,278.13	335,587.50	80,690.63		26,260.53
12/01/2031	2,976,278.13	3,745,587.50	-769,309.37	-688,618.74	-244,519.87
06/01/2032	325,078.13	258,862.50	66,215.63		20,554.48
12/01/2032	3,140,078.13	3,898,862.50	-758,784.37	-692,568.74	-230,036.72
06/01/2033	224,793.75	176,962.50	47,831.25		14,161.96
12/01/2033	3,239,793.75	3,981,962.50	-742,168.75	-694,337.50	-214,608.59
06/01/2034	117,384.38	91,350.00	26,034.38		7,352.32
12/01/2034	3,412,384.38	4,151,350.00	-738,965.62	-712,931.24	-203,814.15
	84,695,159.61	100,300,531.50	-15,605,371.89	-15,605,371.89	-7,697,023.58

Savings Summary

PV of savings from cash flow	-7,697,023.58
Plus: Refunding funds on hand	10,291,217.95
Net PV Savings	2,594,194.37

BOND PRICING

**SOUTHLANDS METROPOLITAN DISTRICT #1
SER. 2007 G.O. REFUNDING BONDS
Insured, 2034 final maturity
Advance refunding of Ser. 2004 plus max new money
(v. 2 with Lowe's inclusion in AV)**

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Serial Bonds:					
	12/01/2009	855,000	4.000%	4.020%	99.952
	12/01/2010	955,000	4.000%	4.050%	99.844
	12/01/2011	990,000	4.000%	4.070%	99.724
	12/01/2012	1,100,000	4.000%	4.100%	99.527
	12/01/2013	1,140,000	4.000%	4.120%	99.340
	12/01/2014	1,255,000	4.000%	4.150%	99.064
	12/01/2015	1,305,000	4.000%	4.180%	98.750
	12/01/2016	1,430,000	4.000%	4.200%	98.475
	12/01/2017	1,485,000	4.000%	4.250%	97.936
		<u>10,515,000</u>			
Term due 2022:					
	12/01/2018	1,615,000	4.250%	4.500%	97.257
	12/01/2019	1,685,000	4.250%	4.500%	97.257
	12/01/2020	1,830,000	4.250%	4.500%	97.257
	12/01/2021	1,905,000	4.250%	4.500%	97.257
	12/01/2022	2,060,000	4.250%	4.500%	97.257
		<u>9,095,000</u>			
Term due 2027:					
	12/01/2023	2,150,000	4.375%	4.620%	96.794
	12/01/2024	2,320,000	4.375%	4.620%	96.794
	12/01/2025	2,420,000	4.375%	4.620%	96.794
	12/01/2026	2,600,000	4.375%	4.620%	96.794
	12/01/2027	2,715,000	4.375%	4.620%	96.794
		<u>12,205,000</u>			
Term due 2034:					
	12/01/2028	2,915,000	4.500%	4.710%	96.789
	12/01/2029	3,045,000	4.500%	4.710%	96.789
	12/01/2030	3,260,000	4.500%	4.710%	96.789
	12/01/2031	3,410,000	4.500%	4.710%	96.789
	12/01/2032	3,640,000	4.500%	4.710%	96.789
	12/01/2033	3,805,000	4.500%	4.710%	96.789
	12/01/2034	4,060,000	4.500%	4.710%	96.789
		<u>24,135,000</u>			
		<u>55,950,000</u>			

Dated Date	09/04/2007	
Delivery Date	09/04/2007	
First Coupon	12/01/2007	
Par Amount	55,950,000.00	
Original Issue Discount	-1,513,619.80	
Production	54,436,380.20	97.294692%
Underwriter's Discount		
Purchase Price	54,436,380.20	97.294692%
Accrued Interest		
Net Proceeds	54,436,380.20	

BOND SUMMARY STATISTICS

**SOUTHLANDS METROPOLITAN DISTRICT #1
SER. 2007 G.O. REFUNDING BONDS**

Insured, 2034 final maturity
Advance refunding of Ser. 2004 plus max new money
(v. 2 with Lowe's inclusion in AV)

Dated Date	09/04/2007
Delivery Date	09/04/2007
First Coupon	12/01/2007
Last Maturity	12/01/2034
Arbitrage Yield	4.784542%
True Interest Cost (TIC)	4.625151%
Net Interest Cost (NIC)	4.557424%
All-in TIC	5.156438%
Average Coupon	4.407019%
Average Life (years)	17.987
Duration of Issue (years)	11.988
Par Amount	55,950,000.00
Bond Proceeds	54,436,380.20
Total Interest	44,350,531.50
Net Interest	45,864,151.30
Bond Years from Dated Date	1,006,361,250.00
Bond Years from Delivery Date	1,006,361,250.00
Total Debt Service	100,300,531.50
Maximum Annual Debt Service	4,242,700.00
Average Annual Debt Service	3,681,879.41
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	97.294692

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Serial Bonds	10,515,000.00	99.069	4.000%	6.692	5,918.00
Term due 2022	9,095,000.00	97.257	4.250%	13.364	9,731.65
Term due 2027	12,205,000.00	96.794	4.375%	18.357	15,622.40
Term due 2034	24,135,000.00	96.789	4.500%	24.463	35,961.15
	55,950,000.00			17.987	67,233.20

	TIC	All-In TIC	Arbitrage Yield
Par Value	55,950,000.00	55,950,000.00	55,950,000.00
+ Accrued Interest			
+ Premium (Discount)	-1,513,619.80	-1,513,619.80	-1,513,619.80
- Underwriter's Discount			
- Cost of Issuance Expense			
- Other Amounts		-3,241,005.32	-1,003,005.32
Target Value	54,436,380.20	51,195,374.88	53,433,374.88
Target Date	09/04/2007	09/04/2007	09/04/2007
Yield	4.625151%	5.156438%	4.784542%

SUMMARY OF BONDS REFUNDED

**SOUTHLANDS METROPOLITAN DISTRICT #1
SER. 2007 G.O. REFUNDING BONDS
Insured, 2034 final maturity
Advance refunding of Ser. 2004 plus max new money
(v. 2 with Lowe's Inclusion in AV)**

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price	
12/20/06: Ser '04 actual:						
TERM16	12/01/2009	6.750%	245,000.00			
	12/01/2010	6.750%	315,000.00			
	12/01/2011	6.750%	335,000.00			
	12/01/2012	6.750%	415,000.00			
	12/01/2013	6.750%	445,000.00			
	12/01/2014	6.750%	530,000.00			
	12/01/2015	6.750%	565,000.00	12/01/2014	100.000	
	12/01/2016	6.750%	660,000.00	12/01/2014	100.000	
	TERM24	12/01/2017	7.000%	705,000.00	12/01/2014	100.000
		12/01/2018	7.000%	815,000.00	12/01/2014	100.000
12/01/2019		7.000%	870,000.00	12/01/2014	100.000	
12/01/2020		7.000%	995,000.00	12/01/2014	100.000	
12/01/2021		7.000%	1,065,000.00	12/01/2014	100.000	
12/01/2022		7.000%	1,200,000.00	12/01/2014	100.000	
12/01/2023		7.000%	1,285,000.00	12/01/2014	100.000	
12/01/2024		7.000%	1,435,000.00	12/01/2014	100.000	
TERM34		12/01/2025	7.125%	1,535,000.00	12/01/2014	100.000
		12/01/2026	7.125%	1,710,000.00	12/01/2014	100.000
	12/01/2027	7.125%	1,830,000.00	12/01/2014	100.000	
	12/01/2028	7.125%	2,025,000.00	12/01/2014	100.000	
	12/01/2029	7.125%	2,170,000.00	12/01/2014	100.000	
	12/01/2030	7.125%	2,390,000.00	12/01/2014	100.000	
	12/01/2031	7.125%	2,560,000.00	12/01/2014	100.000	
	12/01/2032	7.125%	2,815,000.00	12/01/2014	100.000	
	12/01/2033	7.125%	3,015,000.00	12/01/2014	100.000	
	12/01/2034	7.125%	3,295,000.00	12/01/2014	100.000	
			35,225,000.00			

ESCROW REQUIREMENTS

**SOUTHLANDS METROPOLITAN DISTRICT #1
SER. 2007 G.O. REFUNDING BONDS
Insured, 2034 final maturity
Advance refunding of Ser. 2004 plus max new money
(v. 2 with Lowe's inclusion in AV)**

Dated Date 09/04/2007
Delivery Date 09/04/2007

Period Ending	Principal	Interest	Principal Redeemed	Total
12/01/2007		1,243,078.13		1,243,078.13
06/01/2008		1,243,078.13		1,243,078.13
12/01/2008		1,243,078.13		1,243,078.13
06/01/2009		1,243,078.13		1,243,078.13
12/01/2009	245,000.00	1,243,078.13		1,488,078.13
06/01/2010		1,234,809.38		1,234,809.38
12/01/2010	315,000.00	1,234,809.38		1,549,809.38
06/01/2011		1,224,178.13		1,224,178.13
12/01/2011	335,000.00	1,224,178.13		1,559,178.13
06/01/2012		1,212,871.88		1,212,871.88
12/01/2012	415,000.00	1,212,871.88		1,627,871.88
06/01/2013		1,198,865.63		1,198,865.63
12/01/2013	445,000.00	1,198,865.63		1,643,865.63
06/01/2014		1,183,846.88		1,183,846.88
12/01/2014	530,000.00	1,183,846.88	32,940,000.00	34,653,846.88
	2,285,000.00	18,324,534.45	32,940,000.00	53,549,534.45

BOND DEBT SERVICE

**SOUTHLANDS METROPOLITAN DISTRICT #1
SER. 2007 G.O. REFUNDING BONDS
Insured, 2034 final maturity
Advance refunding of Ser. 2004 plus max new money
(v. 2 with Lowe's inclusion in AV)**

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
09/04/2007					
12/01/2007			586,568.80	586,568.80	586,568.80
06/01/2008			1,213,590.63	1,213,590.63	
12/01/2008			1,213,590.63	1,213,590.63	2,427,181.26
06/01/2009			1,213,590.63	1,213,590.63	
12/01/2009	855,000	4.000%	1,213,590.63	2,068,590.63	3,282,181.26
06/01/2010			1,196,490.63	1,196,490.63	
12/01/2010	955,000	4.000%	1,196,490.63	2,151,490.63	3,347,981.26
06/01/2011			1,177,390.63	1,177,390.63	
12/01/2011	990,000	4.000%	1,177,390.63	2,167,390.63	3,344,781.26
06/01/2012			1,157,590.63	1,157,590.63	
12/01/2012	1,100,000	4.000%	1,157,590.63	2,257,590.63	3,415,181.26
06/01/2013			1,135,590.63	1,135,590.63	
12/01/2013	1,140,000	4.000%	1,135,590.63	2,275,590.63	3,411,181.26
06/01/2014			1,112,790.63	1,112,790.63	
12/01/2014	1,255,000	4.000%	1,112,790.63	2,367,790.63	3,480,581.26
06/01/2015			1,087,690.63	1,087,690.63	
12/01/2015	1,305,000	4.000%	1,087,690.63	2,392,690.63	3,480,381.26
06/01/2016			1,061,590.63	1,061,590.63	
12/01/2016	1,430,000	4.000%	1,061,590.63	2,491,590.63	3,553,181.26
06/01/2017			1,032,990.63	1,032,990.63	
12/01/2017	1,485,000	4.000%	1,032,990.63	2,517,990.63	3,550,981.26
06/01/2018			1,003,290.63	1,003,290.63	
12/01/2018	1,615,000	4.250%	1,003,290.63	2,618,290.63	3,621,581.26
06/01/2019			968,971.88	968,971.88	
12/01/2019	1,685,000	4.250%	968,971.88	2,653,971.88	3,622,943.76
06/01/2020			933,165.63	933,165.63	
12/01/2020	1,830,000	4.250%	933,165.63	2,763,165.63	3,696,331.26
06/01/2021			894,278.13	894,278.13	
12/01/2021	1,905,000	4.250%	894,278.13	2,799,278.13	3,693,556.26
06/01/2022			853,796.88	853,796.88	
12/01/2022	2,060,000	4.250%	853,796.88	2,913,796.88	3,767,593.76
06/01/2023			810,021.88	810,021.88	
12/01/2023	2,150,000	4.375%	810,021.88	2,960,021.88	3,770,043.76
06/01/2024			762,990.63	762,990.63	
12/01/2024	2,320,000	4.375%	762,990.63	3,082,990.63	3,845,981.26
06/01/2025			712,240.63	712,240.63	
12/01/2025	2,420,000	4.375%	712,240.63	3,132,240.63	3,844,481.26
06/01/2026			659,303.13	659,303.13	
12/01/2026	2,600,000	4.375%	659,303.13	3,259,303.13	3,918,606.26
06/01/2027			602,428.13	602,428.13	
12/01/2027	2,715,000	4.375%	602,428.13	3,317,428.13	3,919,856.26
06/01/2028			543,037.50	543,037.50	
12/01/2028	2,915,000	4.500%	543,037.50	3,458,037.50	4,001,075.00
06/01/2029			477,450.00	477,450.00	
12/01/2029	3,045,000	4.500%	477,450.00	3,522,450.00	3,999,900.00
06/01/2030			408,937.50	408,937.50	
12/01/2030	3,260,000	4.500%	408,937.50	3,668,937.50	4,077,875.00
06/01/2031			335,587.50	335,587.50	
12/01/2031	3,410,000	4.500%	335,587.50	3,745,587.50	4,081,175.00
06/01/2032			258,862.50	258,862.50	
12/01/2032	3,640,000	4.500%	258,862.50	3,898,862.50	4,157,725.00
06/01/2033			176,962.50	176,962.50	
12/01/2033	3,805,000	4.500%	176,962.50	3,981,962.50	4,158,925.00
06/01/2034			91,350.00	91,350.00	
12/01/2034	4,060,000	4.500%	91,350.00	4,151,350.00	4,242,700.00
	55,950,000		44,350,531.50	100,300,531.50	100,300,531.50

ESCROW STATISTICS

**SOUTHLANDS METROPOLITAN DISTRICT #1
 SER. 2007 G.O. REFUNDING BONDS
 Insured, 2034 final maturity
 Advance refunding of Ser. 2004 plus max new money
 (v. 2 with Lowe's inclusion in AV)**

Total Escrow Cost	Modified Duration (years)	PV of 1 bp change	Yield to Receipt Date	Yield to Disbursement Date	Perfect Escrow Cost	Value of Negative Arbitrage	Cost of Dead Time
40,904,156.93	5.591	22,679.90	4.670749%	4.670749%	40,644,963.44	259,193.34	0.15
40,904,156.93		22,679.90			40,644,963.44	259,193.34	0.15

Delivery date 09/04/2007
 Arbitrage yield 4.784542%

EXHIBIT B

Description of Real Property

LEGAL DESCRIPTION

PARCEL PA-9

A PARCEL OF LAND BEING A PORTION OF THE SOUTHEAST QUARTER OF SECTION 19, TOWNSHIP 5 SOUTH, RANGE 65 WEST OF THE SIXTH PRINCIPAL MERIDIAN, IN THE CITY OF AURORA, COUNTY OF ARAPAHOE, STATE OF COLORADO, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SOUTHEAST QUARTER OF SECTION 19 AND CONSIDERING THE SOUTHERLY LINE OF SAID SOUTHEAST QUARTER TO BEAR NORTH 89°26'27" EAST, WITH ALL BEARINGS MADE AS A REFERENCE HEREON; THENCE NORTH 55°52'27" EAST 1136.60 FEET TO THE MOST WESTERLY CORNER OF THAT PARCEL OF LAND DESCRIBED AS PARCEL 1 UNDER RECEPTION NO. B2024554 IN THE RECORDS OF THE ARAPAHOE COUNTY CLERK AND RECORDER, SAID POINT LYING ON THE HISTORIC NORTHERLY RIGHT-OF-WAY OF SMOKY HILL ROAD AND BEING THE POINT OF BEGINNING; THENCE DEPARTING SAID HISTORIC NORTHERLY RIGHT-OF-WAY AND ALONG THE WESTERLY AND NORTHERLY BOUNDARIES OF SAID PARCEL THE FOLLOWING FOUR (4) COURSES:

1. NORTH 00°04'45" EAST 662.08 FEET;
2. NORTH 32°24'29" EAST 341.52 FEET;
3. SOUTH 56°58'59" EAST 362.25 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHWESTERLY HAVING A RADIUS OF 789.00 FEET;
4. SOUTHEASTERLY ALONG SAID CURVE 468.54 FEET THROUGH A CENTRAL ANGLE OF 34°01'28" TO THE FUTURE NORTHWESTERLY RIGHT-OF-WAY OF SOUTH WHEATLANDS PARKWAY AND THE BEGINNING OF A NON-TANGENT CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 945.00 FEET AND A RADIAL BEARING OF SOUTH 22°14'09" EAST;

THENCE DEPARTING SAID WESTERLY AND NORTHERLY BOUNDARIES AND ALONG SAID FUTURE NORTHWESTERLY RIGHT-OF-WAY THE FOLLOWING TWO (2) COURSES:

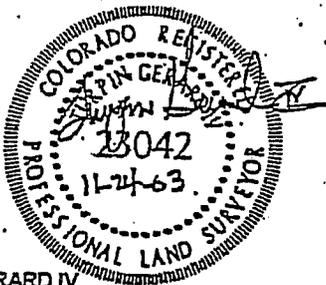
1. SOUTHWESTERLY ALONG SAID CURVE 446.31 FEET THROUGH A CENTRAL ANGLE OF 27°03'35" SOUTHWESTERLY HAVING A RADIUS OF 789.00 FEET;
2. TANGENT TO SAID CURVE, SOUTH 40°42'16" WEST 50.94 FEET TO THE MOST NORTHERLY CORNER OF FUTURE TRACT F OF THE WHEATLANDS SUBDIVISION FILING NO. 1;

THENCE DEPARTING SAID FUTURE NORTHWESTERLY RIGHT-OF-WAY AND ALONG THE NORTHERLY BOUNDARY OF SAID FUTURE TRACT F, SOUTH 68°52'33" WEST 361.21 FEET TO SAID HISTORIC NORTHERLY RIGHT-OF-WAY OF SMOKY HILL ROAD;

THENCE ALONG SAID HISTORIC NORTHERLY RIGHT-OF-WAY, NORTH 63°08'23" WEST 62.05 FEET TO THE POINT OF BEGINNING.

CONTAINING 10.739 ACRES (467,770 SQ. FT.), MORE OR LESS.

EXHIBIT ATTACHED AND MADE A PART HEREOF.



TURPIN, GERARD IV
COLORADO REGISTERED PROFESSIONAL LAND SURVEYOR P.L.S. 23046
FOR AND ON BEHALF OF AZTEC CONSULTANTS, INC.



SE 1/4 SECTION 19
T.5S., R.65W. 6TH P.M.

WEST 662 FEET
OF THE SE 1/4 SEC. 19

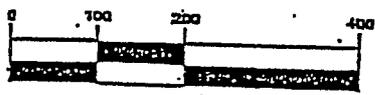
PARCEL CONTAINS 10.739 ACRES
(467,770 SQ. FT.) MORE OR LESS

PARCEL 1
RECEPTION NO. B2024554

POINT OF BEGINNING
MOST WESTERLY CORNER
PARCEL 1; REC. NO. B2024554

POINT OF COMMENCEMENT
SW CORNER SE 1/4 SEC. 19
T.5S., R.65W. 6TH P.M.

S'RLY LINE SE 1/4 SEC. 19 (BASIS OF BEARINGS)
N 89°26'27" E



1 inch = 200 ft.

NOTE: THIS DRAWING DOES NOT REPRESENT A FIELD MONUMENTED SURVEY AND IS ONLY INTENDED TO DEPICT THE ATTACHED LEGAL DESCRIPTION.

PATHE: VLD10702-RVLEALS
DWG NAME: SALE_1.DWG
DWG: TSG CAG JWO
DATE: REV 11-25-2003

 **AZTEC CONSULTANTS, Inc.**
2000 South Lincoln Street, Unit 5
Littleton, Colorado 80120

LEGAL EXHIBIT
SE 1/4 SEC. 19, T.5S., R.65W. 6TH P.M.
CITY OF AURORA, COLORADO

