

STERLING HILLS WEST METROPOLITAN DISTRICT  
SECOND AMENDMENT TO SERVICE PLAN  
City of Aurora  
Arapahoe County, Colorado

*Submitted July 16, 2007*

I. INTRODUCTION

The Service Plan for the Sterling Hills West Metropolitan District (“District”) was approved by the City of Aurora on September 27, 1999. A First Amendment to the Service Plan was approved by the City on August 26, 2004.

II. SERVICE PLAN AMENDMENT

The District hereby amends its Service Plan to expressly authorize the District to refund existing bonds and issue debt as follows:

Notwithstanding anything in the existing service plan to the contrary, the District is authorized to issue general obligation debt for the purpose of refunding its existing bonds and paying additional costs of public improvements, subject to the provisions hereof. The amount of the general obligation debt to be so issued, which shall include the amount of any interest certificates as may be required to fully fund the refunding escrow and comply with statutory and voted debt limitations, shall not exceed (i) the amount necessary to fully fund the refunding escrow, and (ii) an additional amount to pay such costs of public improvements in a principal amount not in excess of \$1,100,000. The maximum maturity of such general obligation debt shall not exceed 2031. The general obligation debt may be secured by a mill levy pledge for debt purposes of not more than 42.55 mills (subject to adjustment for changes in law or ratios of actual to assessed valuation occurring after 2000) until such time as the District's debt to assessed ratio is greater than 50%, after which the mill levy can become an unlimited mill levy.

The City acknowledges and approves the District’s attached modified financial plan.

III. AURORA APPROVAL

It is therefore requested that the Aurora City Council, pursuant to the provisions of § 32-1-207, C.R.S., and Section 122-37 of the Aurora City Code, adopt a resolution which approves this Third Amendment to Service Plan for the District as submitted.

STERLING HILLS WEST METROPOLITAN DISTRICT  
*2<sup>nd</sup> Amendment to Service Plan*

Respectfully submitted,

SETER & VANDER WALL, P.C.

A handwritten signature in cursive script that reads "Barbara T. Vander Wall".

Barbara T. Vander Wall  
Counsel to Sterling Hills West Metropolitan District

EFFECTIVE DATE: 8.27.07

RESOLUTION NO. R2007- 57

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AURORA, COLORADO, APPROVING THE SECOND AMENDMENT TO THE SERVICE PLAN FOR STERLING HILLS WEST METROPOLITAN DISTRICT AND THE ISSUANCE OF REFUNDING AND IMPROVEMENT BONDS BY SAID DISTRICT

WHEREAS, the Sterling Hills West Metropolitan District (the "District") is a quasi-municipal corporation and political subdivision of the State of Colorado, whose Service Plan was approved by the City Council of the City of Aurora, Colorado (the "City Council") in 1999; and

WHEREAS, the District desires to refund its existing debt, as well as issue a certain amount of new money bonds, through the issuance of General Obligation Refunding and Improvement Bonds, Series 2007, which obligations are expected to be issued in the approximate amount of \$14,875,000 (the "2007 Bonds"); and

WHEREAS, the issuance of the 2007 Bonds will allow the District and its residents to benefit from a present value savings through a reduction in the current mill levy, but will require an increase in the District's debt limit and will extend the maturity of, and increase the total debt service on, the District's existing debt; and

WHEREAS, the Service Plan for the District provides that any change in the District's debt limit shall constitute a material modification to said Plan, which modification may be made only upon petition to and approval by resolution of the City Council following a public hearing; and

WHEREAS, the Service Plan for the District further provides that any refunding of outstanding bonds which extends the maturity of the bonds or increases the total debt service thereon shall be subject to the approval by resolution of the City Council following a public hearing; and

WHEREAS, in order to allow the District to take advantage of existing interest rates and achieve a present value savings, the City Council desires to approve the Second Amendment to the Service Plan for the District and the issuance by the District of the 2007 Bonds.

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

Section 1. The City Council hereby approves the Second Amendment to the Service Plan for the District.

Section 2. The City Council hereby approves the issuance of the 2007 Bonds by the District.

Section 3. All prior resolutions or any parts thereof, to the extent that they are inconsistent with this Resolution, are hereby rescinded.

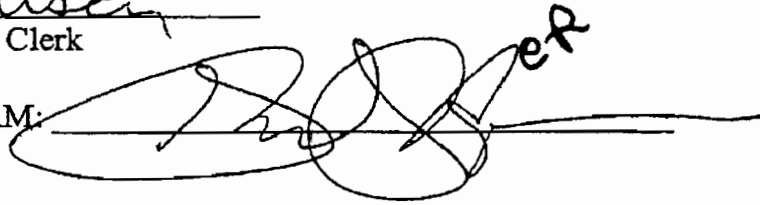
RESOLVED AND PASSED this 27th day of August, 2007.

  
EDWARD J. TAUER, Mayor

ATTEST:

  
DEBRA JOHNSON, City Clerk

APPROVED AS TO FORM:



**STERLING HILLS WEST METROPOLITAN DISTRICT**

Full growth Development Projection at 41.000 Mills for Debt Service, beginning in 2008

Ser. 2007 Refunding Bonds, Insured, 2031 final maturity, plus New Money

YEAR	Residential			Platted/Developed Lots			Total Assessed Value	Mill levy for Debt Service 52.06 Cap 41.00 Target	Total Collections @ 98%	Specific Ownership Tax @ 9% of Prop'y Taxes	Total Available Revenue	Bond Funds Used in Refunding	Ser. 01 A&B Ser. 04 CABs	Ser. 2007 \$15,255,000 Par [Net \$1.050 MM new]	Annual Surplus	Cumulative Surplus	Senior Debt-to-Assessed Ratio	
	Additional Residential Units to be Completed	Mkt Value Biennial Reassm't/Ajd. @ 2%	As'ed Value @ 7.96% of Market Value (2-yr lag)	As'ed Value @ 29% of Market Value (2-yr lag)	Total Assessed Value	Mill Levy for Debt Service 52.06 Cap 41.00 Target							Total Collections @ 98%	Net Debt Service				Net Debt Service
2005	0		\$219,984,296	\$4,694,517		\$0												n/a
2006	0	18,079,384	\$238,063,681	\$5,208,107		\$0	\$0	\$0	\$0	\$0	\$0				0	0	n/a	
2007	0		238,063,681	\$17,510,750	5,208,107	1,361,410	18,872,160	41.600	\$769,380	\$69,244	838,624	\$300,000	\$362,000	\$154,635	21,990	21,990	48%	
2008	0	4,761,274	242,824,954	18,949,869	5,208,107	1,510,351	20,460,220	41.000	822,092	73,988	896,080		(refunded by Ser 07)	895,092	987	22,977	75%	
2009	0		242,824,954	18,949,869	5,208,107	1,510,351	20,460,220	41.000	822,092	73,988	896,080			895,092	987	23,965	73%	
2010	304	4,856,499	293,091,647	19,328,866	3,859,793	1,510,351	20,839,217	41.000	837,320	75,359	912,679			910,092	2,586	26,551	70%	
2011	0		293,091,647	19,328,866	3,859,793	1,510,351	20,839,217	41.000	837,320	75,359	912,679			910,092	2,586	29,137	69%	
2012	0	5,861,833	298,953,480	23,330,095	3,859,793	1,119,340	24,449,435	41.000	982,378	88,414	1,070,792			1,065,092	5,700	34,836	58%	
2013	0		298,953,480	23,330,095	3,859,793	1,119,340	24,449,435	41.000	982,378	88,414	1,070,792			1,065,092	5,700	40,536	56%	
2014	0	5,979,070	304,932,550	23,796,697	3,859,793	1,119,340	24,916,037	41.000	1,001,126	90,101	1,091,228			1,090,092	1,135	41,672	53%	
2015	0		304,932,550	23,796,697	3,859,793	1,119,340	24,916,037	41.000	1,001,126	90,101	1,091,228			1,090,092	1,135	42,807	51%	
2016	0	6,098,651	311,031,201	24,272,631	3,859,793	1,119,340	25,391,971	40.521	1,008,342	90,751	1,099,092			1,099,092	0	42,807	48%	
2017	0		311,031,201	24,272,631	3,859,793	1,119,340	25,391,971	40.507	1,007,975	90,718	1,098,692			1,098,692	0	42,807	46%	
2018	0	6,220,624	317,251,825	24,758,084	3,859,793	1,119,340	25,877,424	40.608	1,029,810	92,683	1,122,492			1,122,492	0	42,807	43%	
2019	0		317,251,825	24,758,084	3,859,793	1,119,340	25,877,424	40.524	1,027,688	92,492	1,120,180			1,120,180	0	42,807	41%	
2020		6,345,036	323,596,861	25,253,245	3,859,793	1,119,340	26,372,585	39.994	1,033,651	93,029	1,126,680			1,126,680	0	42,807	38%	
2021			323,596,861	25,253,245	3,859,793	1,119,340	26,372,585	39.988	1,033,502	93,015	1,126,517			1,126,517	0	42,807	35%	
2022		6,471,937	330,068,798	25,758,310	3,859,793	1,119,340	26,877,650	39.356	1,036,633	93,297	1,129,930			1,129,930	0	42,807	32%	
2023			330,068,798	25,758,310	3,859,793	1,119,340	26,877,650	39.243	1,033,651	93,029	1,126,680			1,126,680	0	42,807	30%	
2024		6,601,376	336,670,174	26,273,476	3,859,793	1,119,340	27,392,816	38.516	1,033,950	93,055	1,127,005			1,127,005	0	42,807	26%	
2025			336,670,174	26,273,476	3,859,793	1,119,340	27,392,816	38.299	1,028,135	92,532	1,120,667			1,120,667	0	42,807	24%	
2026		6,733,403	343,403,578	26,798,946	3,859,793	1,119,340	27,918,286	37.486	1,025,601	92,304	1,117,905			1,117,905	0	42,807	20%	
2027			343,403,578	26,798,946	3,859,793	1,119,340	27,918,286	37.672	1,030,716	92,764	1,123,480			1,123,480	0	42,807	17%	
2028		6,868,072	350,271,649	27,334,925	3,859,793	1,119,340	28,454,265	36.747	1,024,695	92,223	1,116,917			1,116,917	0	42,807	14%	
2029			350,271,649	27,334,925	3,859,793	1,119,340	28,454,265	36.820	1,026,736	92,406	1,119,142			1,119,142	0	42,807	11%	
2030		7,005,433	357,277,082	27,881,623	3,859,793	1,119,340	29,000,963	35.952	1,021,782	91,960	1,113,742			1,113,742	0	42,807	7%	
2031			357,277,082	27,881,623	3,859,793	1,119,340	29,000,963	36.185	1,028,422	92,558	1,120,980			1,120,980	0	42,807	4%	
		304	91,882,592						24,486,501	2,203,785	26,690,286	300,000	362,000	25,985,479	42,807			

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**STERLING HILLS WEST METROPOLITAN DISTRICT**  
 Development Projection (updated 3/5/07)

		Residential Development										Residential Summary				
YEAR	QTR	<u>SFDs</u>					<u>MFs</u>					Market Value of Existing Completed Units	Total Residential Market Value	Cumulative Residential Market Value	Total SFDs	Value of Platted / Developed Lots
		# Lots Devel'd	Incr/(Decr) in Finished Lot Value @ 10%	# Units Completed [0 target]	Price Inflated @ 2%	Market Value	# Lots Devel'd	Incr/(Decr) in Finished Lot Value @ 10%	# Units Completed [304 target]	Price Inflated @ 2%	Market Value					
2005		0	\$0	0	\$0	\$0	0	\$0	0	\$0	\$0	\$219,984,296	\$219,984,296	219,984,296	0	\$0
2006		0	0	0	\$0	0	0	0	\$138,000	0	0	0	0	219,984,296	0	0
2007		0	0	0	0	0	0	0	140,760	0	0	0	0	219,984,296	0	0
2008		0	0	0	0	0	0	0	143,575	0	0	0	0	219,984,296	0	0
2009		0	0	0	0	0	304	4,279,104	0	146,447	0	0	0	219,984,296	0	4,279,104
2010		0	0	0	0	0	0	(4,279,104)	304	149,376	45,410,194	0	45,410,194	265,394,490	304	(4,279,104)
2011		0	0	0	0	0	0	0	152,363	0	0	0	0	265,394,490	0	0
2012		0	0	0	0	0	0	0	155,410	0	0	0	0	265,394,490	0	0
2013		0	0	0	0	0	0	0	158,519	0	0	0	0	265,394,490	0	0
2014		0	0	0	0	0	0	0	161,689	0	0	0	0	265,394,490	0	0
2015		0	0	0	0	0	0	0	164,923	0	0	0	0	265,394,490	0	0
2016		0	0	0	0	0	0	0	168,221	0	0	0	0	265,394,490	0	0
2017		0	0	0	0	0	0	0	171,586	0	0	0	0	265,394,490	0	0
2018		0	0	0	0	0	0	0	175,017	0	0	0	0	265,394,490	0	0
2019		0	0	0	0	0	0	0	178,518	0	0	0	0	265,394,490	0	0
		0	0	0		0	304	0	304		45,410,194	219,984,296	265,394,490		304	0

## SOURCES AND USES OF FUNDS

**STERLING HILLS WEST METROPOLITAN DISTRICT  
SERIES 2007 G.O. REFUNDING & IMPROVEMENT BONDS  
Advance refunding of Ser. 2001A, 2001B & 2004 plus New Money  
Insured, 2031 final maturity, with B Interest Certificates  
(assumes underlying investment grade rating)**

Dated Date                    08/29/2007  
Delivery Date                08/29/2007

Sources of Funds	Par Amount	Plus: Accrued	Less: Discount	Total
Bond Proceeds:				
Serial Bond to 2017	1,440,000.00		35,134.20	1,404,865.80
Term due 2022	3,175,000.00		34,194.75	3,140,805.25
Term due 2027	3,995,000.00		96,798.85	3,898,201.15
Term due 2031	3,965,000.00		-168,988.30	4,133,988.30
B Interest Certificates	2,680,000.00		491,793.80	2,188,206.20
	15,255,000.00		488,933.30	14,766,066.70
Other Sources of Funds:				
Funds on hand	300,000.00			300,000.00
	15,555,000.00	0.00	488,933.30	15,066,066.70

Uses of Funds	Par Amount	Plus: Accrued	Less: Discount	Total
Project Fund Deposits:				
New Money	1,050,000.00			1,050,000.00
Refunding Escrow Deposits:				
Cash Deposit	0.67			0.67
SLG Purchases	13,337,975.00			13,337,975.00
	13,337,975.67			13,337,975.67
Other Fund Deposits:				
Debt Service Reserve Fund	25,000.00			25,000.00
Delivery Date Expenses:				
Underwriter's Discount	258,356.11			258,356.11
Bond Insurance Premium (@ 100 bps)	260,406.78			260,406.78
Bond Counsel	40,000.00			40,000.00
Disclosure Counsel	40,000.00			40,000.00
District Counsel	20,000.00			20,000.00
District Accountant	5,000.00			5,000.00
Rating	12,000.00			12,000.00
Paying Agent & Escrow Agent	2,500.00			2,500.00
Printing & Misc.	2,500.00			2,500.00
CPA Verification	2,000.00			2,000.00
Regulatory	3,500.00			3,500.00
Contingency	5,000.00			5,000.00
	651,262.89			651,262.89
Other Uses of Funds:				
Contingency	1,828.14			1,828.14
	15,066,066.70	0.00	0.00	15,066,066.70

## BOND MATURITY TABLE

**STERLING HILLS WEST METROPOLITAN DISTRICT  
SERIES 2007 G.O. REFUNDING & IMPROVEMENT BONDS  
Advance refunding of Ser. 2001A, 2001B & 2004 plus New Money  
Insured, 2031 final maturity, with B Interest Certificates  
(assumes underlying investment grade rating)**

Maturity Date	Serial Bond to 2017	Term due 2022	Term due 2027	Term due 2031	B Interest Certificates	Total
12/01/2008					290,000	290,000
12/01/2009					290,000	290,000
12/01/2010					305,000	305,000
12/01/2011					305,000	305,000
12/01/2012					460,000	460,000
12/01/2013					460,000	460,000
12/01/2014					485,000	485,000
12/01/2015	400,000				85,000	485,000
12/01/2016	510,000					510,000
12/01/2017	530,000					530,000
12/01/2018		575,000				575,000
12/01/2019		600,000				600,000
12/01/2020		635,000				635,000
12/01/2021		665,000				665,000
12/01/2022		700,000				700,000
12/01/2023			730,000			730,000
12/01/2024			765,000			765,000
12/01/2025			795,000			795,000
12/01/2026			830,000			830,000
12/01/2027			875,000			875,000
12/01/2028				910,000		910,000
12/01/2029				960,000		960,000
12/01/2030				1,005,000		1,005,000
12/01/2031				1,090,000		1,090,000
	1,440,000	3,175,000	3,995,000	3,965,000	2,680,000	15,255,000



## BOND PRICING

**STERLING HILLS WEST METROPOLITAN DISTRICT  
SERIES 2007 G.O. REFUNDING & IMPROVEMENT BONDS  
Advance refunding of Ser. 2001A, 2001B & 2004 plus New Money  
Insured, 2031 final maturity, with B Interest Certificates  
(assumes underlying investment grade rating)**

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price
Serial Bond to 2017:								
	12/01/2015	400,000	4.000%	4.270%	98.132			
	12/01/2016	510,000	4.000%	4.310%	97.649			
	12/01/2017	<u>530,000</u>	4.000%	4.360%	97.043			
		1,440,000						
Term due 2022:								
	12/01/2018	575,000	4.750%	4.850%	98.923			
	12/01/2019	600,000	4.750%	4.850%	98.923			
	12/01/2020	635,000	4.750%	4.850%	98.923			
	12/01/2021	665,000	4.750%	4.850%	98.923			
	12/01/2022	<u>700,000</u>	4.750%	4.850%	98.923			
		3,175,000						
Term due 2027:								
	12/01/2023	730,000	4.750%	4.940%	97.577			
	12/01/2024	765,000	4.750%	4.940%	97.577			
	12/01/2025	795,000	4.750%	4.940%	97.577			
	12/01/2026	830,000	4.750%	4.940%	97.577			
	12/01/2027	<u>875,000</u>	4.750%	4.940%	97.577			
		3,995,000						
Term due 2031:								
	12/01/2028	910,000	5.250%	4.720%	104.262 C	4.946%	12/01/2017	100.000
	12/01/2029	960,000	5.250%	4.720%	104.262 C	4.946%	12/01/2017	100.000
	12/01/2030	1,005,000	5.250%	4.720%	104.262 C	4.946%	12/01/2017	100.000
	12/01/2031	<u>1,090,000</u>	5.250%	4.720%	104.262 C	4.946%	12/01/2017	100.000
		3,965,000						
B Interest Certificates:								
	12/01/2008	290,000		4.130%	94.996			
	12/01/2009	290,000		4.210%	91.030			
	12/01/2010	305,000		4.280%	87.121			
	12/01/2011	305,000		4.330%	83.335			
	12/01/2012	460,000		4.370%	79.676			
	12/01/2013	460,000		4.400%	76.165			
	12/01/2014	485,000		4.430%	72.766			
	12/01/2015	<u>85,000</u>		4.460%	69.478			
		2,680,000						
		15,255,000						

Dated Date	08/29/2007	
Delivery Date	08/29/2007	
First Coupon	12/01/2007	
Par Amount	15,255,000.00	
Original Issue Discount	<u>-488,933.30</u>	
Production	14,766,066.70	96.794931%
Underwriter's Discount	<u>-258,356.11</u>	-1.693583%
Purchase Price	14,507,710.59	95.101348%
Accrued Interest		
Net Proceeds	<u>14,507,710.59</u>	

## BOND SUMMARY STATISTICS

**STERLING HILLS WEST METROPOLITAN DISTRICT  
SERIES 2007 G.O. REFUNDING & IMPROVEMENT BONDS  
Advance refunding of Ser. 2001A, 2001B & 2004 plus New Money  
Insured, 2031 final maturity, with B Interest Certificates  
(assumes underlying investment grade rating)**

Dated Date	08/29/2007
Delivery Date	08/29/2007
First Coupon	12/01/2007
Last Maturity	12/01/2031
Arbitrage Yield	4.980054%
True Interest Cost (TIC)	5.018220%
Net Interest Cost (NIC)	4.960661%
All-In TIC	5.284064%
Average Coupon	4.639231%
Average Life (years)	15.240
Duration of Issue (years)	10.652
Par Amount	15,255,000.00
Bond Proceeds	14,766,066.70
Total Interest	10,785,677.92
Net Interest	11,532,967.33
Bond Years from Dated Date	232,488,500.00
Bond Years from Delivery Date	232,488,500.00
Total Debt Service	26,040,677.92
Maximum Annual Debt Service	1,147,225.00
Average Annual Debt Service	1,073,596.43
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	16.935832
Total Underwriter's Discount	16.935832
Bid Price	95.101348

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
B Interest Certificates	2,680,000.00	81.649		4.785	986.65
Serial Bond to 2017	1,440,000.00	97.560	4.000%	9.346	1,083.80
Term due 2022	3,175,000.00	98.923	4.750%	13.355	3,365.50
Term due 2027	3,995,000.00	97.577	4.750%	18.344	4,993.75
Term due 2031	3,965,000.00	104.262	5.250%	22.829	3,290.95
	15,255,000.00			15.240	13,720.65

	TIC	All-In TIC	Arbitrage Yield
Par Value	15,255,000.00	15,255,000.00	15,255,000.00
+ Accrued Interest			
+ Premium (Discount)	-488,933.30	-488,933.30	-488,933.30
- Underwriter's Discount	-258,356.11	-258,356.11	
- Cost of Issuance Expense			
- Other Amounts		-392,906.78	-260,406.78
Target Value	14,507,710.59	14,114,803.81	14,505,659.92
Target Date	08/29/2007	08/29/2007	08/29/2007
Yield	5.018220%	5.284064%	4.980054%

## BOND DEBT SERVICE

**STERLING HILLS WEST METROPOLITAN DISTRICT  
SERIES 2007 G.O. REFUNDING & IMPROVEMENT BONDS  
Advance refunding of Ser. 2001A, 2001B & 2004 plus New Money  
Insured, 2031 final maturity, with B Interest Certificates  
(assumes underlying investment grade rating)**

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/01/2007			154,952.92	154,952.92	154,952.92
06/01/2008			303,168.75	303,168.75	
12/01/2008	290,000		303,168.75	593,168.75	896,337.50
06/01/2009			303,168.75	303,168.75	
12/01/2009	290,000		303,168.75	593,168.75	896,337.50
06/01/2010			303,168.75	303,168.75	
12/01/2010	305,000		303,168.75	608,168.75	911,337.50
06/01/2011			303,168.75	303,168.75	
12/01/2011	305,000		303,168.75	608,168.75	911,337.50
06/01/2012			303,168.75	303,168.75	
12/01/2012	460,000		303,168.75	763,168.75	1,066,337.50
06/01/2013			303,168.75	303,168.75	
12/01/2013	460,000		303,168.75	763,168.75	1,066,337.50
06/01/2014			303,168.75	303,168.75	
12/01/2014	485,000		303,168.75	788,168.75	1,091,337.50
06/01/2015			303,168.75	303,168.75	
12/01/2015	485,000	**	303,168.75	788,168.75	1,091,337.50
06/01/2016			295,168.75	295,168.75	
12/01/2016	510,000	4.000%	295,168.75	805,168.75	1,100,337.50
06/01/2017			284,968.75	284,968.75	
12/01/2017	530,000	4.000%	284,968.75	814,968.75	1,099,937.50
06/01/2018			274,368.75	274,368.75	
12/01/2018	575,000	4.750%	274,368.75	849,368.75	1,123,737.50
06/01/2019			260,712.50	260,712.50	
12/01/2019	600,000	4.750%	260,712.50	860,712.50	1,121,425.00
06/01/2020			246,462.50	246,462.50	
12/01/2020	635,000	4.750%	246,462.50	881,462.50	1,127,925.00
06/01/2021			231,381.25	231,381.25	
12/01/2021	665,000	4.750%	231,381.25	896,381.25	1,127,762.50
06/01/2022			215,587.50	215,587.50	
12/01/2022	700,000	4.750%	215,587.50	915,587.50	1,131,175.00
06/01/2023			198,962.50	198,962.50	
12/01/2023	730,000	4.750%	198,962.50	928,962.50	1,127,925.00
06/01/2024			181,625.00	181,625.00	
12/01/2024	765,000	4.750%	181,625.00	946,625.00	1,128,250.00
06/01/2025			163,456.25	163,456.25	
12/01/2025	795,000	4.750%	163,456.25	958,456.25	1,121,912.50
06/01/2026			144,575.00	144,575.00	
12/01/2026	830,000	4.750%	144,575.00	974,575.00	1,119,150.00
06/01/2027			124,862.50	124,862.50	
12/01/2027	875,000	4.750%	124,862.50	999,862.50	1,124,725.00
06/01/2028			104,081.25	104,081.25	
12/01/2028	910,000	5.250%	104,081.25	1,014,081.25	1,118,162.50
06/01/2029			80,193.75	80,193.75	
12/01/2029	960,000	5.250%	80,193.75	1,040,193.75	1,120,387.50
06/01/2030			54,993.75	54,993.75	
12/01/2030	1,005,000	5.250%	54,993.75	1,059,993.75	1,114,987.50
06/01/2031			28,612.50	28,612.50	
12/01/2031	1,090,000	5.250%	28,612.50	1,118,612.50	1,147,225.00
	15,255,000		10,785,677.92	26,040,677.92	26,040,677.92

## NET DEBT SERVICE

**STERLING HILLS WEST METROPOLITAN DISTRICT  
SERIES 2007 G.O. REFUNDING & IMPROVEMENT BONDS  
Advance refunding of Ser. 2001A, 2001B & 2004 plus New Money  
Insured, 2031 final maturity, with B Interest Certificates  
(assumes underlying investment grade rating)**

Date	Principal	Interest	Total Debt Service	Debt Service Reserve Fund	Net Debt Service	Annual Net D/S
12/01/2007		154,952.92	154,952.92	318.17	154,634.75	154,634.75
06/01/2008		303,168.75	303,168.75	622.51	302,546.24	
12/01/2008	290,000	303,168.75	593,168.75	622.51	592,546.24	895,092.48
06/01/2009		303,168.75	303,168.75	622.51	302,546.24	
12/01/2009	290,000	303,168.75	593,168.75	622.51	592,546.24	895,092.48
06/01/2010		303,168.75	303,168.75	622.51	302,546.24	
12/01/2010	305,000	303,168.75	608,168.75	622.51	607,546.24	910,092.48
06/01/2011		303,168.75	303,168.75	622.51	302,546.24	
12/01/2011	305,000	303,168.75	608,168.75	622.51	607,546.24	910,092.48
06/01/2012		303,168.75	303,168.75	622.51	302,546.24	
12/01/2012	460,000	303,168.75	763,168.75	622.51	762,546.24	1,065,092.48
06/01/2013		303,168.75	303,168.75	622.51	302,546.24	
12/01/2013	460,000	303,168.75	763,168.75	622.51	762,546.24	1,065,092.48
06/01/2014		303,168.75	303,168.75	622.51	302,546.24	
12/01/2014	485,000	303,168.75	788,168.75	622.51	787,546.24	1,090,092.48
06/01/2015		303,168.75	303,168.75	622.51	302,546.24	
12/01/2015	485,000	303,168.75	788,168.75	622.51	787,546.24	1,090,092.48
06/01/2016		295,168.75	295,168.75	622.51	294,546.24	
12/01/2016	510,000	295,168.75	805,168.75	622.51	804,546.24	1,099,092.48
06/01/2017		284,968.75	284,968.75	622.51	284,346.24	
12/01/2017	530,000	284,968.75	814,968.75	622.51	814,346.24	1,098,692.48
06/01/2018		274,368.75	274,368.75	622.51	273,746.24	
12/01/2018	575,000	274,368.75	849,368.75	622.51	848,746.24	1,122,492.48
06/01/2019		260,712.50	260,712.50	622.51	260,089.99	
12/01/2019	600,000	260,712.50	860,712.50	622.51	860,089.99	1,120,179.98
06/01/2020		246,462.50	246,462.50	622.51	245,839.99	
12/01/2020	635,000	246,462.50	881,462.50	622.51	880,839.99	1,126,679.98
06/01/2021		231,381.25	231,381.25	622.51	230,758.74	
12/01/2021	665,000	231,381.25	896,381.25	622.51	895,758.74	1,126,517.48
06/01/2022		215,587.50	215,587.50	622.51	214,964.99	
12/01/2022	700,000	215,587.50	915,587.50	622.51	914,964.99	1,129,929.98
06/01/2023		198,962.50	198,962.50	622.51	198,339.99	
12/01/2023	730,000	198,962.50	928,962.50	622.51	928,339.99	1,126,679.98
06/01/2024		181,625.00	181,625.00	622.51	181,002.49	
12/01/2024	765,000	181,625.00	946,625.00	622.51	946,002.49	1,127,004.98
06/01/2025		163,456.25	163,456.25	622.51	162,833.74	
12/01/2025	795,000	163,456.25	958,456.25	622.51	957,833.74	1,120,667.48
06/01/2026		144,575.00	144,575.00	622.51	143,952.49	
12/01/2026	830,000	144,575.00	974,575.00	622.51	973,952.49	1,117,904.98
06/01/2027		124,862.50	124,862.50	622.51	124,239.99	
12/01/2027	875,000	124,862.50	999,862.50	622.51	999,239.99	1,123,479.98
06/01/2028		104,081.25	104,081.25	622.51	103,458.74	
12/01/2028	910,000	104,081.25	1,014,081.25	622.51	1,013,458.74	1,116,917.48
06/01/2029		80,193.75	80,193.75	622.51	79,571.24	
12/01/2029	960,000	80,193.75	1,040,193.75	622.51	1,039,571.24	1,119,142.48
06/01/2030		54,993.75	54,993.75	622.51	54,371.24	
12/01/2030	1,005,000	54,993.75	1,059,993.75	622.51	1,059,371.24	1,113,742.48
06/01/2031		28,612.50	28,612.50	622.51	27,989.99	
12/01/2031	1,090,000	28,612.50	1,118,612.50	25,622.51	1,092,989.99	1,120,979.98
	15,255,000	10,785,677.92	26,040,677.92	55,198.65	25,985,479.27	25,985,479.27

## SUMMARY OF REFUNDING RESULTS

**STERLING HILLS WEST METROPOLITAN DISTRICT  
SERIES 2007 G.O. REFUNDING & IMPROVEMENT BONDS  
Advance refunding of Ser. 2001A, 2001B & 2004 plus New Money  
Insured, 2031 final maturity, with B Interest Certificates  
(assumes underlying investment grade rating)**

Dated Date	08/29/2007
Delivery Date	08/29/2007
Arbitrage yield	4.980054%
Escrow yield	4.979965%
Bond Par Amount	15,255,000.00
True Interest Cost	5.018220%
Net Interest Cost	4.960661%
All-In TIC	5.284064%
Average Coupon	4.639231%
Average Life	15.240
Par amount of refunded bonds	11,250,000.00
Value of refunded bonds on 8/29/2007	11,796,046.74
Average coupon of refunded bonds	7.887996%
Average life of refunded bonds	12.445
PV of prior debt to 08/29/2007 @ 4.980054%	15,126,653.69
Net PV Savings	1,338,068.52
Percentage savings of refunded bonds	11.343364%
Percentage savings of refunding bonds	8.771344%

## SAVINGS

**STERLING HILLS WEST METROPOLITAN DISTRICT  
SERIES 2007 G.O. REFUNDING & IMPROVEMENT BONDS  
Advance refunding of Ser. 2001A, 2001B & 2004 plus New Money  
Insured, 2031 final maturity, with B Interest Certificates  
(assumes underlying investment grade rating)**

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Savings	Annual Savings	Present Value to 08/29/2007 @ 4.9800545%
08/29/2007		300,000.00	-300,000.00		-300,000.00		-300,000.00
12/01/2007	462,000.00		462,000.00	154,952.92	307,047.08	7,047.08	303,211.37
06/01/2008	358,000.00		358,000.00	303,168.75	54,831.25		52,830.78
12/01/2008	483,000.00		483,000.00	593,168.75	-110,168.75	-55,337.50	-103,570.41
06/01/2009	465,950.26		465,950.26	303,168.75	162,781.51		149,314.08
12/01/2009	600,950.26		600,950.26	593,168.75	7,781.51	170,563.02	6,964.31
06/01/2010	460,550.26		460,550.26	303,168.75	157,381.51		137,431.47
12/01/2010	625,550.26		625,550.26	608,168.75	17,381.51	174,763.02	14,809.43
06/01/2011	453,950.26		453,950.26	303,168.75	150,781.51		125,347.98
12/01/2011	618,950.26		618,950.26	608,168.75	10,781.51	161,563.02	8,745.15
06/01/2012	447,350.26		447,350.26	303,168.75	144,181.51		114,107.87
12/01/2012	647,350.26		647,350.26	763,168.75	-115,818.49	28,363.02	-89,433.93
06/01/2013	439,350.26		439,350.26	303,168.75	136,181.51		102,603.21
12/01/2013	654,350.26		654,350.26	763,168.75	-108,818.49	27,363.02	-79,995.20
06/01/2014	430,750.26		430,750.26	303,168.75	127,581.51		91,509.74
12/01/2014	685,750.26		685,750.26	788,168.75	-102,418.49	25,163.02	-71,676.43
06/01/2015	420,550.26		420,550.26	303,168.75	117,381.51		80,152.32
12/01/2015	695,550.26		695,550.26	788,168.75	-92,618.49	24,763.02	-61,706.72
06/01/2016	409,550.26		409,550.26	295,168.75	114,381.51		74,354.80
12/01/2016	729,550.26		729,550.26	805,168.75	-75,618.49	38,763.02	-47,962.25
06/01/2017	396,750.26		396,750.26	284,968.75	111,781.51		69,176.71
12/01/2017	746,750.26		746,750.26	814,968.75	-68,218.49	43,563.02	-41,191.77
06/01/2018	382,750.26		382,750.26	274,368.75	108,381.51		63,853.09
12/01/2018	782,750.26		782,750.26	849,368.75	-66,618.49	41,763.02	-38,294.81
06/01/2019	366,750.26		366,750.26	260,712.50	106,037.76		59,473.58
12/01/2019	796,750.26		796,750.26	860,712.50	-63,962.24	42,075.52	-35,003.02
06/01/2020	349,550.26		349,550.26	246,462.50	103,087.76		55,043.67
12/01/2020	594,550.26		594,550.26	881,462.50	-286,912.24	-183,824.48	-149,474.73
06/01/2021	339,750.26		339,750.26	231,381.25	108,369.01		55,086.12
12/01/2021	9,021,757.21		9,021,757.21	896,381.25	8,125,375.96	8,233,744.97	4,029,943.32
06/01/2022				215,587.50	-215,587.50		-104,327.17
12/01/2022				915,587.50	-915,587.50	-1,131,175.00	-432,306.84
06/01/2023				198,962.50	-198,962.50		-91,660.43
12/01/2023				928,962.50	-928,962.50	-1,127,925.00	-417,568.01
06/01/2024				181,625.00	-181,625.00		-79,656.84
12/01/2024				946,625.00	-946,625.00	-1,128,250.00	-405,082.79
06/01/2025				163,456.25	-163,456.25		-68,247.34
12/01/2025				958,456.25	-958,456.25	-1,121,912.50	-390,458.52
06/01/2026				144,575.00	-144,575.00		-57,466.43
12/01/2026				974,575.00	-974,575.00	-1,119,150.00	-377,967.67
06/01/2027				124,862.50	-124,862.50		-47,248.69
12/01/2027				999,862.50	-999,862.50	-1,124,725.00	-369,161.54
06/01/2028				104,081.25	-104,081.25		-37,494.46
12/01/2028				1,014,081.25	-1,014,081.25	-1,118,162.50	-356,439.40
06/01/2029				80,193.75	-80,193.75		-27,502.48
12/01/2029				1,040,193.75	-1,040,193.75	-1,120,387.50	-348,067.90
06/01/2030				54,993.75	-54,993.75		-17,954.84
12/01/2030				1,059,993.75	-1,059,993.75	-1,114,987.50	-337,667.94
06/01/2031				28,612.50	-28,612.50		-8,893.25
12/01/2031				1,118,612.50	-1,118,612.50	-1,147,225.00	-339,236.81
	23,867,113.71	300,000.00	23,567,113.71	26,040,677.92	-2,473,564.21	-2,473,564.21	261,240.38

### Savings Summary

PV of savings from cash flow	261,240.38
Plus: Refunding funds on hand	1,076,828.14
Net PV Savings	1,338,068.52

## SUMMARY OF BONDS REFUNDED

**STERLING HILLS WEST METROPOLITAN DISTRICT  
 SERIES 2007 G.O. REFUNDING & IMPROVEMENT BONDS  
 Advance refunding of Ser. 2001A, 2001B & 2004 plus New Money  
 Insured, 2031 final maturity, with B Interest Certificates  
 (assumes underlying investment grade rating)**

Bond	Maturity Date	Interest Rate	Par Amount	Value on Aug 29, 2007	Value at Redemption	Call Date	Call Price
01A Pay & cancel refi of '00s + 01B new:							
01A	12/01/2007	8.000%	100,000.00	100,000.00			
	12/01/2008	8.000%	125,000.00	125,000.00			
	12/01/2009	8.000%	135,000.00	135,000.00			
	12/01/2010	8.000%	165,000.00	165,000.00	165,000.00	12/01/2009	101.000
	12/01/2011	8.000%	165,000.00	165,000.00	165,000.00	12/01/2009	101.000
	12/01/2012	8.000%	200,000.00	200,000.00	200,000.00	12/01/2009	101.000
	12/01/2013	8.000%	215,000.00	215,000.00	215,000.00	12/01/2009	101.000
	12/01/2014	8.000%	255,000.00	255,000.00	255,000.00	12/01/2009	101.000
	12/01/2015	8.000%	275,000.00	275,000.00	275,000.00	12/01/2009	101.000
	12/01/2016	8.000%	320,000.00	320,000.00	320,000.00	12/01/2009	101.000
	12/01/2017	8.000%	350,000.00	350,000.00	350,000.00	12/01/2009	101.000
	12/01/2018	8.000%	400,000.00	400,000.00	400,000.00	12/01/2009	101.000
	12/01/2019	8.000%	430,000.00	430,000.00	430,000.00	12/01/2009	101.000
01B	12/01/2020	8.000%	245,000.00	245,000.00	245,000.00	12/01/2011	100.000
	12/01/2021	8.000%	5,670,000.00	5,670,000.00	5,670,000.00	12/01/2011	100.000
			9,050,000.00	9,050,000.00	8,690,000.00		
8/18/04: 8/25/04 Conv CAB for \$2.2MM due 2021:							
TERM21	12/01/2021	7.500%	2,200,000.00	2,746,046.74	3,012,006.95	12/01/2014	101.000
			11,250,000.00	11,796,046.74	11,702,006.95		

## ESCROW REQUIREMENTS

**STERLING HILLS WEST METROPOLITAN DISTRICT  
SERIES 2007 G.O. REFUNDING & IMPROVEMENT BONDS  
Advance refunding of Ser. 2001A, 2001B & 2004 plus New Money  
Insured, 2031 final maturity, with B Interest Certificates  
(assumes underlying investment grade rating)**

Period Ending	Principal	Interest	Principal Redeemed	Compound Int Redeemed	Redemption Premium	Total
12/01/2007	100,000.00	362,000.00				462,000.00
06/01/2008		358,000.00				358,000.00
12/01/2008	125,000.00	358,000.00				483,000.00
06/01/2009		465,950.26				465,950.26
12/01/2009	135,000.00	465,950.26	2,775,000.00		27,750.00	3,403,700.26
06/01/2010		349,550.26				349,550.26
12/01/2010		349,550.26				349,550.26
06/01/2011		349,550.26				349,550.26
12/01/2011		349,550.26	5,915,000.00			6,264,550.26
06/01/2012		112,950.26				112,950.26
12/01/2012		112,950.26				112,950.26
06/01/2013		112,950.26				112,950.26
12/01/2013		112,950.26				112,950.26
06/01/2014		112,950.26				112,950.26
12/01/2014		112,950.26	2,200,000.00	812,006.95	30,120.07	3,155,077.28
	360,000.00	4,085,803.12	10,890,000.00	812,006.95	57,870.07	16,205,680.14