

**FIRSTAMENDMENT TO SERVICE PLAN
FOR
FRONTERRA METROPOLITAN DISTRICT NO. 2**

IN THE CITY OF COMMERCE CITY, COLORADO

Submitted:

August 29, 2007

Approved September 17, 2007

**FIRST AMENDMENT TO SERVICE PLAN
FOR
FRONTERRA METROPOLITAN DISTRICT NO. 2**

IN THE CITY OF COMMERCE CITY, COLORADO

Submitted:

August 29, 2007

I. INTRODUCTION

This First Amendment to Service Plan (the "First Amendment") is for the Fronterra Village Metropolitan District No. 2 (the "District"). It updates and replaces in its entirety the District 2002 Financing Plan. This First Amendment is submitted pursuant to § 32-1-201, *et. seq.*, Colorado Revised Statutes, as amended, (the "Special District Act"), and the requirements of the City of Commerce City, Colorado (the "City").

II. RECITALS

This District is a quasi-municipal corporation and political subdivision of the State of Colorado organized November 20, 2002, pursuant to the requirements of the Special District Act. Approval of the District's Service Plan was by Resolution R 2000-26 of the City Council on August 19, 2002 (the original service and First Amendment shall be referred to collectively as the "Service Plan"). In accordance with § 32-1-202(b) and 32-1-207 CRS, the Board of Directors of the District submits this First Amendment to replace the District 2002 Financing Plan with the Financing Plan attached hereto as **Exhibit A**, and the associated Financial Information Section of the Service Plan as described in paragraph III below.

III. FINANCIAL INFORMATION

The current Service Plan limits general obligation outstanding debt to Six Million Five Hundred Thousand Dollars (\$6,500,000), except with approval of the City. In 2003, the District issued a total of Four Million Five Hundred Fifty Thousand Dollars (\$4,550,000) in general obligation bonds for permitted District infrastructure. The District has incurred infrastructure obligations in excess of that amount. At the time of approval of the Service Plan, there was uncertainty as to house prices, time for build-out, and the condition and potentially high mill levy of the Northern Infrastructure General Improvement District ("GID"). Since that time, the build-out is substantially completed, the GID has been restructured and uncertainties have been resolved. Changed circumstances also have occurred since the issuance of the 2003 debt; the anticipated build-out assessed valuation in the District exceeds the amounts estimated in the 2002

Financing Plan by over twenty percent, and the mill levy for the GID is lower. Also, the District now is able to insure its bonds, to substantially lower the interest rate of its bonds, and to eliminate a \$3.6 million balloon payment that was a part of the 2003 bond structure.

IV. PURPOSE FIRST AMENDMENT

The 2007 Financing Plan permits the District to refund existing debt at lower interest rate, eliminate a balloon payment that was structured into the 2003 bonds, and to repay outstanding obligations of the District for infrastructure constructed on its behalf. This First Amendment approves the utilization of remaining electoral debt authorization for capital and operations in an amount not to exceed Two Million Thirty-nine Thousand Nine Hundred Seventy-nine Dollars (\$2,039,979), plus certificates of interest in amounts needed to repay a portion of interest on the bonds, and up to Six Million Five Hundred Thousand Dollars (\$6,500,000.00) for refunding original issue debt (the "Debt Limitation"). The 2007 Financing Plan contemplates refunding the existing 2003 bonds and issuing a new insured transaction. An approximate par amount of Eight Million One Hundred Thousand Dollars (\$8,100,000.00) is expected to be raised from the issuance of bonds and interest certificates as shown in the 2007 Financing Plan. The insured transaction will permit lower interest rates and will eliminate a balloon payment that was structured into the 2003 bonds to lower debt service payments in the developing years of the District. The District will be required to raise its mill levy by 2.24 mills to effectuate this transaction and in order to repay obligations for infrastructure that had previously been unfunded. The 2007 Financing Plan projects the issuance of debt and the anticipated repayment based on current development assumptions for property within the proposed boundaries of the District. The 2007 Financing Plan reflects that substantially all of the development will be complete in 2009. The 2007 Financing Plan demonstrates that, at various projected levels of development, the District has the ability to finance the facilities identified herein, and will be capable of discharging the proposed indebtedness on a reasonable basis.

900
- 200
700

a. Debt Limitation

The District Service Plan provides that the total general obligation debt of the District shall not be increased further unless the District receives the prior approval of the City. Refunding bonds may be issued by the District to defease original issue bonds in compliance with applicable law. In addition to bonds, the District may also issue notes, certificates, debentures or other evidences of indebtedness. The sum of all indebtedness shall not exceed the Debt Limitation.

b. Identification of District Revenue

The District will continue to rely on property *ad valorem* property taxes as its primary source of revenue. Additionally, the District has and will continue to assess a one-time development fee in the amount of Nine Hundred Dollars (\$900) per single family unit and Five Hundred Dollars (\$500) per multifamily unit, which fee is assessed at the time a building permit is issued.

c. Financing Plan

The 2007 Financing Plan was prepared by the District's financial advisor in accordance with the Special District Act and the City's requirements, and is attached as **Exhibit A**.

V. EFFECT OF FIRST AMENDMENT

This First Amendment of Service plan is in addition to all of the provisions of the Service Plan. Except as specifically modified herein, the Service Plan of the District remains effective.

VI. RESOLUTION OF APPROVAL

The District incorporates the City Council's Resolution approving this First Amendment including any conditions of approval.

EXHIBIT A

2007 FINANCING PLAN

FRONTERRA VILLAGE METROPOLITAN DISTRICT No. 2

Full Growth Development Projection at 42.500 average mills for Debt Service, starting 2008

Ser. 2007 Bonds, Insured, Advance Refunding of Ser '03 and New Money

YEAR	<<<<<< Residential >>>>>>					< Platted/Developed Lots >					D.S.		Int. Income on Cum. Surplus @	Total Available Revenue
	Mkt Value Biennial Reasses'mt		Manual Adj to Projections	Cumulative Market Value	As'ed Value of Market (2-yr lag)	Cumulative Market Value	As'ed Value of Market (2-yr lag)	Total Collected Assessed Value	Mill Levy [42.500 target] [53.475 cap]	Total Collections @ 98.0%	S.O. Taxes Collected @ 8%			
	Total Res'l Units	@ 2.0%	@ 7.96%		@ 29.99%		@ 38.00%							
2006	309	0	573,200	59,858,589	0	9,120,159		3,384,840						
2007	50		(120,420)	72,616,689	0	7,204,159		5,256,170	35.255	181,600	14,528	0	196,128	
2008	100	1,452,334	(240,840)	100,100,364	4,764,744	3,372,159	2,644,846	7,409,590	42.500	308,609	24,689	1,331	334,629	
2009	88		(211,940)	123,470,333	5,780,288	0	2,089,206	7,869,495	42.500	327,764	26,221	1,306	355,291	
2010	0	2,469,407		125,939,740	7,967,989	0	977,926	8,945,915	42.500	372,597	29,808	1,300	403,705	
2011	0			125,939,740	9,828,239	0	0	9,828,239	42.500	409,346	32,748	1,397	443,491	
2012	0	2,518,795		128,458,535	10,024,803	0	0	10,024,803	42.500	417,533	33,403	1,488	452,424	
2013	0			128,458,535	10,024,803	0	0	10,024,803	42.500	417,533	33,403	1,546	462,482	
2014	0	2,569,171		131,027,705	10,225,299	0	0	10,225,299	42.500	425,884	34,071	1,607	461,561	
2015	0			131,027,705	10,225,299	0	0	10,225,299	42.500	425,884	34,071	1,639	461,594	
2016	0	2,620,554		133,648,260	10,429,805	0	0	10,429,805	42.500	434,401	34,752	1,673	470,826	
2017				133,648,260	10,429,805	0	0	10,429,805	42.500	434,401	34,752	1,684	470,837	
2018		2,672,965		136,321,225	10,638,401	0	0	10,638,401	42.500	443,089	35,447	1,694	480,231	
2019				136,321,225	10,638,401	0	0	10,638,401	42.500	443,089	35,447	1,687	480,224	
2020		2,726,424		139,047,649	10,851,169	0	0	10,851,169	42.500	451,951	36,156	1,680	489,787	
2021				139,047,649	10,851,169	0	0	10,851,169	42.500	451,951	36,156	1,659	489,766	
2022		2,780,953		141,828,602	11,068,193	0	0	11,068,193	42.500	460,990	36,879	1,657	499,527	
2023				141,828,602	11,068,193	0	0	11,068,193	42.500	460,990	36,879	1,782	499,652	
2024		2,836,572		144,665,174	11,289,557	0	0	11,289,557	42.500	470,210	37,617	1,769	509,596	
2025				144,665,174	11,289,557	0	0	11,289,557	42.500	470,210	37,617	1,784	509,611	
2026		2,893,303		147,558,478	11,515,348	0	0	11,515,348	42.500	479,614	38,369	1,861	519,844	
2027				147,558,478	11,515,348	0	0	11,515,348	42.500	479,614	38,369	1,872	519,855	
2028		2,951,170		150,509,647	11,745,655	0	0	11,745,655	42.500	489,207	39,137	1,998	530,341	
2029				150,509,647	11,745,655	0	0	11,745,655	42.500	489,207	39,137	2,119	530,462	
2030		3,010,193		153,519,840	11,980,568	0	0	11,980,568	42.500	498,991	39,919	2,125	541,035	
2031				153,519,840	11,980,568	0	0	11,980,568	42.500	498,991	39,919	2,209	541,119	
2032		3,070,397		156,590,237	12,220,179	0	0	12,220,179	42.500	508,970	40,718	2,247	551,935	
2033				156,590,237	12,220,179	0	0	12,220,179	42.500	508,970	40,718	2,293	551,981	
2034		3,131,805		159,722,042	12,464,583	0	0	12,464,583	42.500	519,150	41,532	2,369	563,051	
2035				159,722,042	12,464,583	0	0	12,464,583	42.500	519,150	41,532	2,390	563,071	
2036		3,194,441		162,916,483	12,713,875	0	0	12,713,875	42.500	529,533	42,363	2,527	574,423	
2037				162,916,483	12,713,875	0	0	12,713,875	42.500	529,533	42,363	2,553	574,449	
	547	40,898,483								13,858,965	1,108,717	55,247	15,022,829	

FRONTERRA VILLAGE METROPOLITAN DISTRICT No. 2

Full Growth Development Projection at 42.500 average mills for Debt Service, starting 2008

Ser. 2007 Bonds, Insured, Advance Refunding of Ser '03 and New Money

YEAR	Net Available for Debt Svc	Ser. 2003 \$4,550,000 Par [Net \$3.510 MM] Net Debt Service	Ser. 2007 \$8,100,000 Par [Net \$6.613 MM] Net Debt Service	Deposit to Bond Surplus Fund at Closing	Annual Surplus	Cumulative Surplus	Senior Debt/ Assessed Ratio	Senior Debt/ Act'l Value Ratio
2006								
2007	196,128	182,000	\$61,232	91,473	44,368	44,369	87%	6%
2008	334,629	[Refunded by Ser '07]	335,473		(844)	43,526	171%	12%
2009	355,291		355,473		(182)	43,344	103%	7%
2010	403,705		400,473		3,233	46,577	90%	6%
2011	443,491		440,473		3,018	49,595	81%	6%
2012	452,424		450,473		1,951	51,546	78%	6%
2013	452,482		450,473		2,009	53,555	77%	6%
2014	461,561		460,473		1,088	54,643	74%	6%
2015	461,594		460,473		1,121	55,764	72%	6%
2016	470,826		470,473		354	56,118	69%	5%
2017	470,837		470,473		364	56,482	68%	5%
2018	480,231		480,473		(242)	56,240	65%	5%
2019	480,224		480,473		(249)	55,991	63%	5%
2020	489,787		490,473		(686)	55,305	61%	5%
2021	489,766		489,835		(69)	55,236	59%	5%
2022	499,527		495,354		4,172	59,408	56%	4%
2023	499,652		500,104		(452)	58,956	54%	4%
2024	509,596		509,085		510	59,466	51%	4%
2025	509,611		507,042		2,569	62,035	49%	4%
2026	519,844		519,485		359	62,394	46%	4%
2027	519,855		515,648		4,207	66,602	44%	3%
2028	530,341		526,298		4,043	70,645	41%	3%
2029	530,462		530,285		177	70,822	38%	3%
2030	541,035		538,223		2,812	73,634	34%	3%
2031	541,119		539,848		1,271	74,905	32%	2%
2032	551,935		550,423		1,512	76,417	28%	2%
2033	551,981		549,423		2,558	78,975	25%	2%
2034	563,051		562,373		678	79,653	21%	2%
2035	563,071		568,485		4,586	84,239	17%	1%
2036	574,423		573,548		875	85,114	13%	1%
2037	574,449		574,360		89	85,202	9%	1%
	15,022,929	182,000	14,847,200	91,473	85,202			

FRONTERRA VILLAGE METROPOLITAN DISTRICT No. 2
Operations Revenue and Expense Projection

YEAR	Total Assessed Value	Oper'n's Mill Levy	Total Collections @ 98%	Specific Ownership Tax @ 8% of Prop'y Taxes	Total Available For O&M	Less District Operations @ of \$35,704 Infl. @ 1% or max 4.0 mills	Developer Advances for Operations	Developer Repayment for Operations	Annual Surplus
2006	3,384,840								
2007	5,256,170	9.000	46,359	3,709	50,068	35,704	0	0	14,365
2008	7,409,590	4.000	29,046	2,324	31,369	36,061	4,691	0	0
2009	7,869,495	4.000	30,848	2,468	33,316	36,421	3,105	0	0
2010	8,945,915	4.000	35,068	2,805	37,873	36,785	0	1,088	0
2011	9,828,239	4.000	38,527	3,082	41,609	37,153	0	4,456	0
2012	10,024,803	4.000	39,297	3,144	42,441	37,525	0	2,252	2,664
2013	10,024,803	3.572	35,093	2,807	37,900	37,900	0	0	0
2014	10,225,299	3.537	35,444	2,835	38,279	38,279	0	0	0
2015	10,225,299	3.572	35,798	2,884	38,662	38,662	0	0	0
2016	10,429,805	3.537	36,156	2,892	39,048	39,048	0	0	0
2017	10,429,805	3.573	36,517	2,921	39,439	39,439	0	0	0
2018	10,638,401	3.538	36,883	2,951	39,833	39,833	0	0	0
2019	10,638,401	3.573	37,251	2,980	40,232	40,232	0	0	0
2020	10,851,169	3.538	37,624	3,010	40,634	40,634	0	0	0
2021	10,851,169	3.573	38,000	3,040	41,040	41,040	0	0	0
2022	11,068,193	3.538	38,380	3,070	41,451	41,451	0	0	0
2023	11,068,193	3.574	38,764	3,101	41,865	41,865	0	0	0
2024	11,289,557	3.539	39,152	3,132	42,284	42,284	0	0	0
2025	11,289,557	3.574	39,543	3,163	42,707	42,707	0	0	0
2026	11,515,348	3.539	39,939	3,195	43,134	43,134	0	0	0
2027	11,515,348	3.574	40,338	3,227	43,565	43,565	0	0	0
2028	11,745,655	3.539	40,741	3,259	44,001	44,001	0	0	0
2029	11,745,655	3.575	41,149	3,292	44,441	44,441	0	0	0
2030	11,980,568	3.540	41,560	3,325	44,885	44,885	0	0	0
2031	11,980,568	3.575	41,976	3,358	45,334	45,334	0	0	0
2032	12,220,179	3.540	42,396	3,392	45,787	45,787	0	0	0
2033	12,220,179	3.576	42,820	3,426	46,245	46,245	0	0	0
2034	12,464,583	3.540	43,248	3,460	46,708	46,708	0	0	0
2035	12,464,583	3.576	43,680	3,494	47,175	47,175	0	0	0
2036	12,713,875	3.541	44,117	3,529	47,646	47,646	0	0	0
2037	12,713,875	3.576	44,558	3,565	48,123	48,123	0	0	0
			1,210,272	98,822	1,307,094	1,290,065	7,796	7,796	17,028

FRONTERRA VILLAGE METROPOLITAN DISTRICT No. 2

Development Projection - Buildout (updated 6/15/07)

YEAR	<u>SFDs</u>					<u>MFDs</u>					Residential Summary				Value of Platted & Developed Lots	
	Incr/(Decr) in Finished Lot		# Units Completed	Price		Incr/(Decr) in Finished Lot		# Units Completed	Price		Total Residential Market Value	Total Res'l Units	Total SFD Facility Fees @ \$/unit			
	# Lots Devel'd	Value @ 10%		Inflated @ 2%	Market Value	# Lots Devel'd	Value @ 10%		Inflated @ 2%	Market Value						
			362 target					195 target							Adjustment ¹	Adjusted Value
2004	0	0			0	0	0			0	\$0	0	\$0			0
2005	114	2,875,258	0	\$247,569	0	195	3,046,135	0	\$153,334	0	0	0	\$0			5,921,393
2006	50	(1,614,180)	114	252,520	28,787,280	0	(3,046,135)	195	156,401	30,498,109	59,285,389	309	0	7,859,081	3,198,766	
2007	100	1,261,078	50	257,570	12,878,520	0	0	0	159,529	0	12,878,520	50	0	(3,177,078)	(1,916,000)	
2008	88	(302,659)	100	262,722	26,272,181	0	0	0	162,719	0	26,272,181	100	0	(3,529,341)	(3,832,000)	
2009		(2,219,497)	88	267,976	23,581,909	0	0	0	165,974	0	23,581,909	88	0	(1,152,662)	(3,372,159)	
2010		0	0	273,336	0	0	0	0	169,293	0	0	0	0			0
2011		0	0	278,802	0	0	0	0	172,679	0	0	0	0			0
2012		0	0	284,379	0	0	0	0	176,132	0	0	0	0			0
2013		0	0	290,066	0	0	0	0	179,655	0	0	0	0			0
2014		0	0	295,867	0	0	0	0	183,248	0	0	0	0			0
2015		0	0	301,785	0	0	0	0	186,913	0	0	0	0			0
2016		0	0	307,820	0		0	0	190,651	0	0	0	0			0
	352	(0)	352		91,519,890	195	0	195		30,498,109	122,017,999	547	0			(0)

[1] Adj. to actual/projected AV

SOURCES AND USES OF FUNDS

FRONTERRA VILLAGE METROPOLITAN DISTRICT No. 2 SERIES 2007 REFUNDING & IMPROVEMENT BONDS Advance Refunding of Series 2003 & New Money

Dated Date 09/20/2007
Delivery Date 09/20/2007

Sources of Funds	Par Amount	Plus: Accrued	Less: Discount	Total
Bond Proceeds:				
Term Bond due 2027	1,740,000.00		37,618.80	1,702,381.20
Term Bond due 2037	4,760,000.00		106,195.60	4,653,804.40
B Interest Coupons	1,600,000.00		550,991.90	1,049,008.10
	<u>8,100,000.00</u>		<u>694,806.30</u>	<u>7,405,193.70</u>
Other Sources of Funds:				
Assumed Prior Bonds Funds on Hand	91,000.00			91,000.00
	<u>8,191,000.00</u>	<u>0.00</u>	<u>694,806.30</u>	<u>7,496,193.70</u>
Uses of Funds	Par Amount	Plus: Accrued	Less: Discount	Total
Project Fund Deposits:				
Project Fund Deposit	813,228.11			813,228.11
Refunding Escrow Deposits:				
Cash Deposit	0.61			0.61
SLG Purchases	5,396,855.00			5,396,855.00
	<u>5,396,855.61</u>			<u>5,396,855.61</u>
Other Fund Deposits:				
Debt Service Reserve Fund	602,150.00			602,150.00
Delivery Date Expenses:				
Underwriter's Discount	132,107.64			132,107.64
Radian Insurance (155bp)	252,852.34			252,852.34
Bond Counsel	60,000.00			60,000.00
Underwriters Counsel	60,000.00			60,000.00
General Counsel	50,000.00			50,000.00
Rating Agency	12,000.00			12,000.00
Printing	3,000.00			3,000.00
Regulatory	3,000.00			3,000.00
District Accountant/CPA Certification	10,000.00			10,000.00
Misc Expenses	10,000.00			10,000.00
	<u>592,959.98</u>			<u>592,959.98</u>
Other Uses of Funds:				
Deposit to Bond Fund	91,000.00			91,000.00
	<u>7,496,193.70</u>	<u>0.00</u>	<u>0.00</u>	<u>7,496,193.70</u>

BOND PRICING

FRONTERRA VILLAGE METROPOLITAN DISTRICT No. 2 SERIES 2007 REFUNDING & IMPROVEMENT BONDS Advance Refunding of Series 2003 & New Money

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Term Bond due 2027:					
	12/01/2020	110,000	5.125%	5.300%	97.838
	12/01/2021	185,000	5.125%	5.300%	97.838
	12/01/2022	200,000	5.125%	5.300%	97.838
	12/01/2023	215,000	5.125%	5.300%	97.838
	12/01/2024	235,000	5.125%	5.300%	97.838
	12/01/2025	245,000	5.125%	5.300%	97.838
	12/01/2026	270,000	5.125%	5.300%	97.838
	12/01/2027	280,000	5.125%	5.300%	97.838
		1,740,000			
Term Bond due 2037:					
	12/01/2028	305,000	5.250%	5.400%	97.769
	12/01/2029	325,000	5.250%	5.400%	97.769
	12/01/2030	350,000	5.250%	5.400%	97.769
	12/01/2031	370,000	5.250%	5.400%	97.769
	12/01/2032	400,000	5.250%	5.400%	97.769
	12/01/2033	420,000	5.250%	5.400%	97.769
	12/01/2034	455,000	5.250%	5.400%	97.769
	12/01/2035	475,000	5.250%	5.400%	97.769
	12/01/2036	515,000	5.250%	5.400%	97.769
	12/01/2037	1,145,000	5.250%	5.400%	97.769
		4,760,000			
B Interest Coupons:					
	12/01/2008	25,000		5.120%	94.126
	12/01/2009	45,000		5.140%	89.448
	12/01/2010	90,000		5.180%	84.915
	12/01/2011	130,000		5.220%	80.550
	12/01/2012	140,000		5.260%	76.350
	12/01/2013	140,000		5.330%	72.181
	12/01/2014	150,000		5.390%	68.195
	12/01/2015	150,000		5.460%	64.302
	12/01/2016	160,000		5.530%	60.549
	12/01/2017	160,000		5.590%	56.995
	12/01/2018	170,000		5.670%	53.469
	12/01/2019	170,000		5.730%	50.203
	12/01/2020	70,000		5.760%	47.264
		1,600,000			
		8,100,000			

Dated Date	09/20/2007	
Delivery Date	09/20/2007	
First Coupon	12/01/2007	
Par Amount	8,100,000.00	
Original Issue Discount	-694,806.30	
Production	7,405,193.70	91.422144%
Underwriter's Discount	-132,107.64	-1.630959%
Purchase Price	7,273,086.06	89.791186%
Accrued Interest		
Net Proceeds	7,273,086.06	

BOND MATURITY TABLE

FRONTERRA VILLAGE METROPOLITAN DISTRICT No. 2 SERIES 2007 REFUNDING & IMPROVEMENT BONDS Advance Refunding of Series 2003 & New Money

Maturity Date	Term Bond due 2027	Term Bond due 2037	B Interest Coupons	Total
12/01/2008			25,000	25,000
12/01/2009			45,000	45,000
12/01/2010			90,000	90,000
12/01/2011			130,000	130,000
12/01/2012			140,000	140,000
12/01/2013			140,000	140,000
12/01/2014			150,000	150,000
12/01/2015			150,000	150,000
12/01/2016			160,000	160,000
12/01/2017			160,000	160,000
12/01/2018			170,000	170,000
12/01/2019			170,000	170,000
12/01/2020	110,000		70,000	180,000
12/01/2021	185,000			185,000
12/01/2022	200,000			200,000
12/01/2023	215,000			215,000
12/01/2024	235,000			235,000
12/01/2025	245,000			245,000
12/01/2026	270,000			270,000
12/01/2027	280,000			280,000
12/01/2028		305,000		305,000
12/01/2029		325,000		325,000
12/01/2030		350,000		350,000
12/01/2031		370,000		370,000
12/01/2032		400,000		400,000
12/01/2033		420,000		420,000
12/01/2034		455,000		455,000
12/01/2035		475,000		475,000
12/01/2036		515,000		515,000
12/01/2037		1,145,000		1,145,000
	1,740,000	4,760,000	1,600,000	8,100,000

BOND SUMMARY STATISTICS

FRONTERRA VILLAGE METROPOLITAN DISTRICT No. 2 SERIES 2007 REFUNDING & IMPROVEMENT BONDS Advance Refunding of Series 2003 & New Money

Dated Date	09/20/2007
Delivery Date	09/20/2007
First Coupon	12/01/2007
Last Maturity	12/01/2037
Arbitrage Yield	5.680943%
True Interest Cost (TIC)	5.544764%
Net Interest Cost (NIC)	5.316925%
All-In TIC	6.083776%
Average Coupon	4.830569%
Average Life (years)	20.990
Duration of Issue (years)	12.686
Par Amount	8,100,000.00
Bond Proceeds	7,405,193.70
Total Interest	8,213,054.41
Net Interest	9,039,968.35
Bond Years from Dated Date	170,022,500.00
Bond Years from Delivery Date	170,022,500.00
Total Debt Service	16,313,054.41
Maximum Annual Debt Service	1,205,112.50
Average Annual Debt Service	540,217.05
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	16.309585
Total Underwriter's Discount	16.309585
Bid Price	89.791186

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
B Interest Coupons	1,600,000.00	85.563		8.044	761.50
Term Bond due 2027	1,740,000.00	97.838	5.125%	17.206	2,122.80
Term Bond due 2037	4,760,000.00	97.769	5.250%	26.726	6,902.00
	8,100,000.00			20.990	9,786.30

	TIC	All-In TIC	Arbitrage Yield
Par Value	8,100,000.00	8,100,000.00	8,100,000.00
+ Accrued Interest			
+ Premium (Discount)	-694,806.30	-694,806.30	-694,806.30
- Underwriter's Discount	-132,107.64	-132,107.64	
- Cost of Issuance Expense			
- Other Amounts		-460,852.34	-252,852.34
Target Value	7,273,086.06	6,812,233.72	7,152,341.36
Target Date	09/20/2007	09/20/2007	09/20/2007
Yield	5.544764%	6.083776%	5.680943%

SUMMARY OF REFUNDING RESULTS

FRONTERRA VILLAGE METROPOLITAN DISTRICT No. 2 SERIES 2007 REFUNDING & IMPROVEMENT BONDS Advance Refunding of Series 2003 & New Money

Dated Date	09/20/2007
Delivery Date	09/20/2007
Arbitrage yield	5.680943%
Escrow yield	4.587952%
Bond Par Amount	8,100,000.00
True Interest Cost	5.544764%
Net Interest Cost	5.316925%
All-In TIC	6.083776%
Average Coupon	4.830569%
Average Life	20.990
Par amount of refunded bonds	4,550,000.00
Average coupon of refunded bonds	8.000000%
Average life of refunded bonds	14.679
PV of prior debt to 09/20/2007 @ 5.680943%	5,685,423.72
Net PV Savings	-51,539.53
Percentage savings of refunded bonds	-1.132737%
Percentage savings of refunding bonds	-0.636290%

SAVINGS

FRONTERRA VILLAGE METROPOLITAN DISTRICT No. 2 SERIES 2007 REFUNDING & IMPROVEMENT BONDS Advance Refunding of Series 2003 & New Money

Date	Prior Debt Service	Refunding Debt Service	Savings	Annual Savings	Present Value to 09/20/2007 @ 5.6809433%
12/01/2007	182,000.00	66,873.13	115,126.87	115,126.87	113,861.96
06/01/2008	182,000.00	169,537.50	12,462.50		11,985.14
12/01/2008	207,000.00	194,537.50	12,462.50	24,925.00	11,654.11
06/01/2009	181,000.00	169,537.50	11,462.50		10,422.91
12/01/2009	206,000.00	214,537.50	-8,537.50	2,925.00	-7,548.77
06/01/2010	180,000.00	169,537.50	10,462.50		8,995.33
12/01/2010	215,000.00	259,537.50	-44,537.50	-34,075.00	-37,234.32
06/01/2011	178,800.00	169,537.50	9,062.50		7,367.18
12/01/2011	218,800.00	299,537.50	-80,937.50	-71,875.00	-63,979.27
06/01/2012	177,000.00	169,537.50	7,462.50		5,736.01
12/01/2012	227,000.00	309,537.50	-82,537.50	-75,075.00	-61,689.70
06/01/2013	175,000.00	169,537.50	5,462.50		3,969.98
12/01/2013	230,000.00	309,537.50	-79,537.50	-74,075.00	-56,208.91
06/01/2014	172,800.00	169,537.50	3,262.50		2,241.92
12/01/2014	237,800.00	319,537.50	-81,737.50	-78,475.00	-54,616.83
06/01/2015	170,200.00	169,537.50	662.50		430.45
12/01/2015	240,200.00	319,537.50	-79,337.50	-78,675.00	-50,125.13
06/01/2016	167,400.00	169,537.50	-2,137.50		-1,313.16
12/01/2016	252,400.00	329,537.50	-77,137.50	-79,275.00	-46,080.21
06/01/2017	164,000.00	169,537.50	-5,537.50		-3,216.61
12/01/2017	254,000.00	329,537.50	-75,537.50	-81,075.00	-42,666.14
06/01/2018	160,400.00	169,537.50	-9,137.50		-5,018.62
12/01/2018	270,400.00	339,537.50	-69,137.50	-78,275.00	-36,923.79
06/01/2019	156,000.00	169,537.50	-13,537.50		-7,030.19
12/01/2019	271,000.00	339,537.50	-68,537.50	-82,075.00	-34,809.30
06/01/2020	151,400.00	169,537.50	-18,137.50		-8,905.90
12/01/2020	286,400.00	349,537.50	-63,137.50	-81,275.00	-30,145.59
06/01/2021	146,000.00	166,718.75	-20,718.75		-9,619.13
12/01/2021	291,000.00	351,718.75	-60,718.75	-81,437.50	-27,411.38
06/01/2022	140,200.00	161,978.13	-21,778.13		-9,560.15
12/01/2022	305,200.00	361,978.13	-56,778.13	-78,556.26	-24,236.02
06/01/2023	133,800.00	156,853.13	-23,253.13		-9,651.56
12/01/2023	3,473,600.00	371,853.13	3,101,746.87	3,078,493.74	1,251,867.59
06/01/2024		151,343.75	-151,343.75		-59,395.35
12/01/2024		386,343.75	-386,343.75	-537,687.50	-147,434.06
06/01/2025		145,321.88	-145,321.88		-53,925.09
12/01/2025		390,321.88	-390,321.88	-535,643.76	-140,837.83
06/01/2026		139,043.75	-139,043.75		-48,784.65
12/01/2026		409,043.75	-409,043.75	-548,087.50	-139,552.44
06/01/2027		132,125.00	-132,125.00		-43,831.73
12/01/2027		412,125.00	-412,125.00	-544,250.00	-132,943.93
06/01/2028		124,950.00	-124,950.00		-39,193.29
12/01/2028		429,950.00	-429,950.00	-554,900.00	-131,138.25
06/01/2029		116,943.75	-116,943.75		-34,683.62
12/01/2029		441,943.75	-441,943.75	-558,887.50	-127,453.08
06/01/2030		108,412.50	-108,412.50		-30,401.75
12/01/2030		458,412.50	-458,412.50	-566,825.00	-125,000.47
06/01/2031		99,225.00	-99,225.00		-26,309.48
12/01/2031		469,225.00	-469,225.00	-568,450.00	-120,978.51
06/01/2032		89,512.50	-89,512.50		-22,441.23
12/01/2032		489,512.50	-489,512.50	-579,025.00	-119,333.60
06/01/2033		79,012.50	-79,012.50		-18,729.70
12/01/2033		499,012.50	-499,012.50	-578,025.00	-115,022.36
06/01/2034		67,987.50	-67,987.50		-15,238.28
12/01/2034		522,987.50	-522,987.50	-590,975.00	-113,981.41
06/01/2035		56,043.75	-56,043.75		-11,876.98
12/01/2035		531,043.75	-531,043.75	-587,087.50	-109,432.15
06/01/2036		43,575.00	-43,575.00		-8,731.48
12/01/2036		558,575.00	-558,575.00	-602,150.00	-108,834.85
06/01/2037		30,056.25	-30,056.25		-5,694.52
12/01/2037		1,175,056.25	-1,175,056.25	-1,205,112.50	-216,479.63
	10,003,200.00	16,313,054.41	-6,309,854.41	-6,309,854.41	-1,466,917.64

Savings Summary

PV of savings from cash flow	-1,466,917.64
Less: Prior funds on hand	-91,000.00
Plus: Refunding funds on hand	1,506,378.11
Net PV Savings	-51,539.53

BOND DEBT SERVICE

FRONTERRA VILLAGE METROPOLITAN DISTRICT No. 2 SERIES 2007 REFUNDING & IMPROVEMENT BONDS Advance Refunding of Series 2003 & New Money

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/01/2007			66,873 13	66,873 13	66,873 13
06/01/2008			169,537 50	169,537 50	
12/01/2008	25,000		169,537 50	194,537 50	364,075 00
06/01/2009			169,537 50	169,537 50	
12/01/2009	45,000		169,537 50	214,537 50	384,075 00
06/01/2010			169,537 50	169,537 50	
12/01/2010	90,000		169,537 50	259,537 50	429,075 00
06/01/2011			169,537 50	169,537 50	
12/01/2011	130,000		169,537 50	299,537 50	469,075 00
06/01/2012			169,537 50	169,537 50	
12/01/2012	140,000		169,537 50	309,537 50	479,075 00
06/01/2013			169,537 50	169,537 50	
12/01/2013	140,000		169,537 50	309,537 50	479,075 00
06/01/2014			169,537 50	169,537 50	
12/01/2014	150,000		169,537 50	319,537 50	489,075 00
06/01/2015			169,537 50	169,537 50	
12/01/2015	150,000		169,537 50	319,537 50	489,075 00
06/01/2016			169,537 50	169,537 50	
12/01/2016	160,000		169,537 50	329,537 50	499,075 00
06/01/2017			169,537 50	169,537 50	
12/01/2017	160,000		169,537 50	329,537 50	499,075 00
06/01/2018			169,537 50	169,537 50	
12/01/2018	170,000		169,537 50	339,537 50	509,075 00
06/01/2019			169,537 50	169,537 50	
12/01/2019	170,000		169,537 50	339,537 50	509,075 00
06/01/2020			169,537 50	169,537 50	
12/01/2020	180,000	**	169,537 50	349,537 50	519,075 00
06/01/2021			166,718 75	166,718 75	
12/01/2021	185,000	5 125%	166,718 75	351,718 75	518,437 50
06/01/2022			161,978 13	161,978 13	
12/01/2022	200,000	5 125%	161,978 13	361,978 13	523,956 26
06/01/2023			156,853 13	156,853 13	
12/01/2023	215,000	5 125%	156,853 13	371,853 13	528,706 26
06/01/2024			151,343 75	151,343 75	
12/01/2024	235,000	5 125%	151,343 75	386,343 75	537,687 50
06/01/2025			145,321 88	145,321 88	
12/01/2025	245,000	5 125%	145,321 88	390,321 88	535,643 76
06/01/2026			139,043 75	139,043 75	
12/01/2026	270,000	5 125%	139,043 75	409,043 75	548,087 50
06/01/2027			132,125 00	132,125 00	
12/01/2027	280,000	5 125%	132,125 00	412,125 00	544,250 00
06/01/2028			124,950 00	124,950 00	
12/01/2028	305,000	5 250%	124,950 00	429,950 00	554,900 00
06/01/2029			116,943 75	116,943 75	
12/01/2029	325,000	5 250%	116,943 75	441,943 75	558,887 50
06/01/2030			108,412 50	108,412 50	
12/01/2030	350,000	5 250%	108,412 50	458,412 50	566,825 00
06/01/2031			99,225 00	99,225 00	
12/01/2031	370,000	5 250%	99,225 00	469,225 00	568,450 00
06/01/2032			89,512 50	89,512 50	
12/01/2032	400,000	5 250%	89,512 50	489,512 50	579,025 00
06/01/2033			79,012 50	79,012 50	
12/01/2033	420,000	5 250%	79,012 50	499,012 50	578,025 00
06/01/2034			67,987 50	67,987 50	
12/01/2034	455,000	5 250%	67,987 50	522,987 50	590,975 00
06/01/2035			56,043 75	56,043 75	
12/01/2035	475,000	5 250%	56,043 75	531,043 75	587,087 50
06/01/2036			43,575 00	43,575 00	
12/01/2036	515,000	5 250%	43,575 00	558,575 00	602,150 00
06/01/2037			30,056 25	30,056 25	
12/01/2037	1,145,000	5 250%	30,056 25	1,175,056 25	1,205,112 50
	8,100,000		8,213,054 41	16,313,054 41	16,313,054 41

NET DEBT SERVICE

FRONTERRA VILLAGE METROPOLITAN DISTRICT No. 2 SERIES 2007 REFUNDING & IMPROVEMENT BONDS Advance Refunding of Series 2003 & New Money

Date	Principal	Interest	Total Debt Service	Debt Service Reserve Fund	Net Debt Service	Annual Net D/S
12/01/2007		66,873.13	66,873.13	5,640.97	61,232.16	61,232.16
06/01/2008		169,537.50	169,537.50	14,301.06	155,236.44	
12/01/2008	25,000	169,537.50	194,537.50	14,301.06	180,236.44	335,472.88
06/01/2009		169,537.50	169,537.50	14,301.06	155,236.44	
12/01/2009	45,000	169,537.50	214,537.50	14,301.06	200,236.44	355,472.88
06/01/2010		169,537.50	169,537.50	14,301.06	155,236.44	
12/01/2010	90,000	169,537.50	259,537.50	14,301.06	245,236.44	400,472.88
06/01/2011		169,537.50	169,537.50	14,301.06	155,236.44	
12/01/2011	130,000	169,537.50	299,537.50	14,301.06	285,236.44	440,472.88
06/01/2012		169,537.50	169,537.50	14,301.06	155,236.44	
12/01/2012	140,000	169,537.50	309,537.50	14,301.06	295,236.44	450,472.88
06/01/2013		169,537.50	169,537.50	14,301.06	155,236.44	
12/01/2013	140,000	169,537.50	309,537.50	14,301.06	295,236.44	450,472.88
06/01/2014		169,537.50	169,537.50	14,301.06	155,236.44	
12/01/2014	150,000	169,537.50	319,537.50	14,301.06	305,236.44	460,472.88
06/01/2015		169,537.50	169,537.50	14,301.06	155,236.44	
12/01/2015	150,000	169,537.50	319,537.50	14,301.06	305,236.44	460,472.88
06/01/2016		169,537.50	169,537.50	14,301.06	155,236.44	
12/01/2016	160,000	169,537.50	329,537.50	14,301.06	315,236.44	470,472.88
06/01/2017		169,537.50	169,537.50	14,301.06	155,236.44	
12/01/2017	160,000	169,537.50	329,537.50	14,301.06	315,236.44	470,472.88
06/01/2018		169,537.50	169,537.50	14,301.06	155,236.44	
12/01/2018	170,000	169,537.50	339,537.50	14,301.06	325,236.44	480,472.88
06/01/2019		169,537.50	169,537.50	14,301.06	155,236.44	
12/01/2019	170,000	169,537.50	339,537.50	14,301.06	325,236.44	480,472.88
06/01/2020		169,537.50	169,537.50	14,301.06	155,236.44	
12/01/2020	180,000	169,537.50	349,537.50	14,301.06	335,236.44	490,472.88
06/01/2021		166,718.75	166,718.75	14,301.06	152,417.69	
12/01/2021	185,000	166,718.75	351,718.75	14,301.06	337,417.69	489,835.38
06/01/2022		161,978.13	161,978.13	14,301.06	147,677.07	
12/01/2022	200,000	161,978.13	361,978.13	14,301.06	347,677.07	495,354.14
06/01/2023		156,853.13	156,853.13	14,301.06	142,552.07	
12/01/2023	215,000	156,853.13	371,853.13	14,301.06	357,552.07	500,104.14
06/01/2024		151,343.75	151,343.75	14,301.06	137,042.69	
12/01/2024	235,000	151,343.75	386,343.75	14,301.06	372,042.69	509,085.38
06/01/2025		145,321.88	145,321.88	14,301.06	131,020.82	
12/01/2025	245,000	145,321.88	390,321.88	14,301.06	376,020.82	507,041.64
06/01/2026		139,043.75	139,043.75	14,301.06	124,742.69	
12/01/2026	270,000	139,043.75	409,043.75	14,301.06	394,742.69	519,485.38
06/01/2027		132,125.00	132,125.00	14,301.06	117,823.94	
12/01/2027	280,000	132,125.00	412,125.00	14,301.06	397,823.94	515,647.88
06/01/2028		124,950.00	124,950.00	14,301.06	110,648.94	
12/01/2028	305,000	124,950.00	429,950.00	14,301.06	415,648.94	526,297.88
06/01/2029		116,943.75	116,943.75	14,301.06	102,642.69	
12/01/2029	325,000	116,943.75	441,943.75	14,301.06	427,642.69	530,285.38
06/01/2030		108,412.50	108,412.50	14,301.06	94,111.44	
12/01/2030	350,000	108,412.50	458,412.50	14,301.06	444,111.44	538,222.88
06/01/2031		99,225.00	99,225.00	14,301.06	84,923.94	
12/01/2031	370,000	99,225.00	468,225.00	14,301.06	454,923.94	539,847.88
06/01/2032		89,512.50	89,512.50	14,301.06	75,211.44	
12/01/2032	400,000	89,512.50	489,512.50	14,301.06	475,211.44	550,422.88
06/01/2033		79,012.50	79,012.50	14,301.06	64,711.44	
12/01/2033	420,000	79,012.50	499,012.50	14,301.06	484,711.44	549,422.88
06/01/2034		67,987.50	67,987.50	14,301.06	53,686.44	
12/01/2034	455,000	67,987.50	522,987.50	14,301.06	508,686.44	562,372.88
06/01/2035		56,043.75	56,043.75	14,301.06	41,742.69	
12/01/2035	475,000	56,043.75	531,043.75	14,301.06	516,742.69	558,485.38
06/01/2036		43,575.00	43,575.00	14,301.06	29,273.94	
12/01/2036	515,000	43,575.00	558,575.00	14,301.06	544,273.94	573,547.88
06/01/2037		30,056.25	30,056.25	14,301.06	15,755.19	
12/01/2037	1,145,000	30,056.25	1,175,056.25	616,451.06	558,605.19	574,360.38
	8,100,000	8,213,054.41	16,313,054.41	1,465,854.57	14,847,199.84	14,847,199.84

SUMMARY OF BONDS REFUNDED

FRONTERRA VILLAGE METROPOLITAN DISTRICT No. 2 SERIES 2007 REFUNDING & IMPROVEMENT BONDS Advance Refunding of Series 2003 & New Money

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
2003 issue 30-yr am, 20-yr balloon 8%:					
30TERM	12/01/2008	8.000%	25,000.00		
	12/01/2009	8.000%	25,000.00		
	12/01/2010	8.000%	35,000.00		
	12/01/2011	8.000%	40,000.00		
	12/01/2012	8.000%	50,000.00		
	12/01/2013	8.000%	55,000.00	12/01/2012	101.000
	12/01/2014	8.000%	65,000.00	12/01/2012	101.000
	12/01/2015	8.000%	70,000.00	12/01/2012	101.000
	12/01/2016	8.000%	85,000.00	12/01/2012	101.000
	12/01/2017	8.000%	90,000.00	12/01/2012	101.000
	12/01/2018	8.000%	110,000.00	12/01/2012	101.000
	12/01/2019	8.000%	115,000.00	12/01/2012	101.000
	12/01/2020	8.000%	135,000.00	12/01/2012	101.000
	12/01/2021	8.000%	145,000.00	12/01/2012	101.000
	12/01/2022	8.000%	165,000.00	12/01/2012	101.000
	12/01/2023	8.000%	3,340,000.00	12/01/2012	101.000
			4,550,000.00		

ESCROW REQUIREMENTS

FRONTERRA VILLAGE METROPOLITAN DISTRICT No. 2 SERIES 2007 REFUNDING & IMPROVEMENT BONDS Advance Refunding of Series 2003 & New Money

Period Ending	Principal	Interest	Principal Redeemed	Redemption Premium	Total
12/01/2007		182,000.00			182,000.00
06/01/2008		182,000.00			182,000.00
12/01/2008	25,000.00	182,000.00			207,000.00
06/01/2009		181,000.00			181,000.00
12/01/2009	25,000.00	181,000.00			206,000.00
06/01/2010		180,000.00			180,000.00
12/01/2010	35,000.00	180,000.00			215,000.00
06/01/2011		178,600.00			178,600.00
12/01/2011	40,000.00	178,600.00			218,600.00
06/01/2012		177,000.00			177,000.00
12/01/2012	50,000.00	177,000.00	4,375,000.00	43,750.00	4,645,750.00
	175,000.00	1,979,200.00	4,375,000.00	43,750.00	6,572,950.00

ESCROW STATISTICS

FRONTERRA VILLAGE METROPOLITAN DISTRICT No. 2 SERIES 2007 REFUNDING & IMPROVEMENT BONDS Advance Refunding of Series 2003 & New Money

	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
Global Proceeds Escrow:	5,396,855.61	4.198	2,139.49	4.587952%	4.587952%	5,156,169.77	240,685.70	0.14
	5,396,855.61		2,139.49			5,156,169.77	240,685.70	0.14
Delivery date				09/20/2007				
Arbitrage yield				5.680943%				

EXHIBIT B

CITY COUNCIL RESOLUTION

**RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF COMMERCE CITY, COLORADO
APPROVING THE FIRST AMENDMENT TO SERVICE PLAN FOR
FRONTERRA VILLAGE METROPOLITAN DISTRICT NO. 2
No. 2007-51**

WHEREAS, §32-1-207(1), C.R.S., provides that material modifications of a service plan as originally approved may be made by the governing body of such special district only by petition to and approval by the governing body of the municipality which has adopted a resolution of approval of the special district; and

WHEREAS, a Service Plan for the Fronterra Village Metropolitan District No. 2 (the "District") was approved by the City Council of Commerce City on August 19, 2002; and

WHEREAS, a First Amendment to Service Plan has been submitted to the City Council of Commerce City by the District pursuant to §32-1-207, C.R.S.; and

WHEREAS, the territory of the District is located wholly within the boundaries of Commerce City.

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

Section 1. The City Council makes the following findings based on the original Service Plan and the First Amendment to Service Plan:

- a. There is sufficient existing and projected need for organized service in the area serviced by the District;
- b. The existing service in the area is adequate for the current District residents, however to accommodate changed circumstances, the 2006 Financing Plan is adequate for projected needs;
- c. The District is capable of providing economical and sufficient service to the area within its boundaries;
- d. The area included in the District has the financial ability to discharge the indebtedness on a reasonable basis;
- e. The facility and service standards of the District are compatible with the facility and service standards of each county within which the District is located and each municipality which is an interested party under §32-1-204(1), C.R.S.;
- f. The proposal is in substantial compliance with a master plan adopted pursuant to §30-28-106, C.R.S.;
- g. The proposal is in compliance with any duly adopted county, regional or state long-range water quality management plan for the area; and
- h. The District has been created to provide for the best interests of the area currently served.

Section 2. The First Amendment to Service Plan for the Fronterra Village Metropolitan District No. 2 is hereby approved.

RESOLVED this _____ day of _____, 2007.

CITY OF COMMERCE CITY, COLORADO

By: _____

Paul Natale, Mayor

ATTEST:

By: _____

Laura J. Bauer, City Clerk

THE UNIVERSITY OF CHICAGO

DEPARTMENT OF CHEMISTRY

PHYSICAL CHEMISTRY

PROFESSOR J. H. DILLON

STUDENT: J. H. DILLON

1954

RESEARCH ASSISTANT: J. H. DILLON

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