

Deal Spotlight: Metro District

Sand Creek Metropolitan District, CO

\$9,000,000

UW: RBC Capital Markets

Ratings: AA/AA

Dated Date: 2/21/06

Underlying Rating: BBB (Fitch)

Sand Creek Metropolitan District (the “District”) issued \$9 million of general obligation limited tax new money bonds in February 2006 to fund infrastructure projects. The District is comprised of 1,284 acres that have been developed with residential, commercial, industrial and retail projects. Located near Denver International Airport and within the cities of Denver and Aurora, District AV has grown rapidly within the past five years. 2006 AV of \$106mm is expected to grow to \$210mm at full build out.

The District’s 95%+ commercial tax base with the top ten taxpayers accounting for 66% of assessed valuation (AV) is mitigated by a relatively diversified tax base with 90 business tenants, 2 apartment complexes which are currently at 92% occupancy, 176 condominiums which are fully occupied, and 970 hotel units operating at full average occupancy.

The District has demonstrated AV growth and expectation for a continuation of such given a geographically advantaged area.

The District accessed the market at lower interest rates based on Radian’s “AA” ratings. Attached are sample maturities with their spread to the Municipal Market Data Line (MMDL) AAA GO Index.

Maturity	2019	2025	2031
Coupon	4.25%	4.50%	4.63%
Yield	4.35%	4.60%	4.73%
Spread to “Mid/Late” MMDL High Grade (bps)	+ 44	+ 49	+ 46

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