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EXCLUSION AGREEMENT

This **EXCLUSION AGREEMENT** (this "Exclusion Agreement") is entered into as of the 21st day of April, 2010 by and among **GRANBY REALTY HOLDINGS LLC**, a Colorado limited liability corporation ("GRH"), **HEADWATERS METROPOLITAN DISTRICT**, a quasi-municipal corporation and political subdivision of the State of Colorado ("HWMD"), and **GRANBY RANCH METROPOLITAN DISTRICT**, a quasi-municipal corporation and political subdivision of the State of Colorado ("GRMD"). HWMD and GRMD may be referred to individually as a "District" and collectively as the "Districts." GRH, HWMD, and GRMD may be referred to individually as a "Party" and collectively as the "Parties."

RECITALS

This Exclusion Agreement is made with respect to the following facts, all of which the Parties acknowledge are an integral part of this Exclusion Agreement.

A. The Granby Ranch development ("Granby Ranch") is an approximately 5,000 acre planned, multi-use development which provides recreational, residential, lodging, dining, commercial and other experiences and opportunities to the general public and owners of property within Granby Ranch.

B. GRH is the master developer of Granby Ranch.

C. HWMD was organized pursuant to the laws of the State of Colorado to coordinate the acquisition, financing, and construction of public improvements, including streets and roadways, safety protection systems, water improvements, sanitary sewer and storm drainage, and park and recreation facilities, benefitting Granby Ranch, (collectively, the "Facilities") and for the management, operation and maintenance of improvements not conveyed to the Town of Granby.

D. GRMD was organized pursuant to the laws of the State of Colorado, contemporaneously with HWMD, in order to provide the funding for the Facilities and ongoing operations of the Districts.

E. The Service Plans for HWMD and GRMD (collectively, the "Service Plan") set forth the relationship between HWMD and GRMD and provide that HWMD is to construct, manage, own, operate and maintain the Facilities and provide services to Granby Ranch, and GRMD is to produce tax and other revenue sufficient to pay all costs related to the construction, financing, acquisition, operation, and maintenance of the Facilities.

F. In order to assure the orderly provision of the Facilities and essential services to Granby Ranch, and to assure the economic administration of the Districts' fiscal affairs, the Service Plan disclosed and established the necessity for a master intergovernmental agreement to fully implement the provisions of the Service Plan.

G. On June 1, 2006, the Districts entered into an intergovernmental agreement titled "District Facilities Construction and Service Agreement" (the "2006 Master IGA") setting forth the dual responsibilities and nature of the functions and services to be provided by each District.

H. Pursuant to the 2006 Master IGA, the Districts agreed that HWMD would own, operate, construct, and maintain the Facilities benefiting the Districts and that GRMD would pay all costs related to the construction, financing, acquisition, operation and maintenance of the Facilities.

I. The financial obligations of GRMD under the 2006 Master IGA are contractual general obligation debt of GRMD, and GRMD is obligated to, inter alia, impose an ad valorem property tax levy for the payment of its obligations thereunder.

J. In order to comply with its obligations under the 2006 Master IGA and to pay certain costs of designing, acquiring, constructing, completing, installing, relocating, and providing public improvements benefiting Granby Ranch, GRMD has previously issued its Limited Tax General Obligation Bonds, Series 2006 in the total principal amount of $14,725,000 (the "2006 Bonds"), and is obligated, inter alia, to impose an ad valorem property tax levy for the payment of its obligations thereunder at a "gallagherized" cap of 50 mills without reduction for obligations associated with the 2006 Master IGA.

K. In order to properly allocate revenue from GRMD's debt levy in accordance with the terms of the indenture for the 2006 Bonds, GRMD and HWMD desire to amend their respective budgets.

L. The outstanding obligations of GRMD under the 2006 Master IGA as of March 31, 2010 include $913,964 in Service Costs and $11,753,178 in Capital Costs, as those terms are defined in the 2006 Master IGA.

M. As partial consideration for this Agreement, the Parties agree to an allocation of Capital Costs set forth immediately above to properties other than those in GRMD. This allocation will reduce the Capital Costs due and owing under the 2006 Maser IGA to $10,205,653.

N. In order to refund GRMD's existing debt obligations under the 2006 Master IGA, GRMD will issue its Taxable Subordinate Limited Tax General Obligation Bonds, Series 2010, in the original aggregate principal amount of $11,119,000, and will be obligated, inter alia, to impose an ad valorem property tax levy for the payment of its obligations thereunder at a "hard" cap of 50 mills.

O. Three initiated measures (the "Ballot Initiatives") have been placed on the November 2010 statewide general election ballot, and the Ballot Initiatives, if passed, may unduly restrict the ability of GRMD to refund its debt at a later date, including the present obligations of the 2006 Master IGA.

P. Granby Ranch Metropolitan District Nos. 2-8 ("GRMD Nos. 2-8") were organized in order to more fully accommodate phasing of the Granby Ranch project and to provide greater flexibility for the potential uses of property within the development.

Q. Subsequent to the organization of GRMD Nos. 2-8, the 2006 Master IGA was amended and restated by a First Amended and Restated District Facilities Construction and Services Agreement (the "2008 Master IGA") to amend and restate certain provisions of the 2006 Master IGA and add GRMD Nos. 2-8 as parties to the agreement.

R. As partial consideration for the exclusions contemplated herein and this Agreement, and in order to clarify the obligations of the parties with respect to future contractual obligation indebtedness of GRMD, HWMD and GRMD agree that GRMD will repudiate the 2008 Master IGA and thereafter be governed by the provisions of the 2006 Master IGA.

S. In addition, GRMD and HWMD agree to amend the 2006 Master IGA to make the obligations of the Districts thereunder subject to annual appropriation and to revise the termination provision to be more consistent with annually appropriated obligations.

T. At the time of the organization of GRMD Nos. 2-8, it was anticipated that future boundary adjustments would occur with respect to the boundaries of the districts serving Granby Ranch.

U. The Parties acknowledge that the best interests of the entire Granby Ranch community are served by the continued, orderly development of Granby Ranch to create a tax-base sufficient to provide cost-effective facilities and services to the community, and in order to lessen the burden on existing property owners within Granby Ranch

V. In order to take advantage of the organization of GRMD Nos. 2-8, to properly phase development within Granby Ranch, and to not unduly burden GRMD with debt for future facilities, GRH has filed a petition for exclusion of certain of its property (the "GRH Property") from the boundaries of GRMD with the GRMD Board.

W. In order to assure that the roadways serving Granby Ranch remain open and available for the intended uses, including access to properties within GRMD, and the application of uniform rules applied throughout the Granby Ranch community, HWMD has filed a petition for exclusion of its roadways (the "HWMD Property") from the boundaries of GRMD with the GRMD Board.

X. In order to assure the greatest likelihood of continued development within Granby Ranch, GRMD recognizes the necessity of excluding the GRH Property and the HWMD Property (collectively, the "Property") from GRMD.

Y. As partial consideration for the exclusion, GRH agrees to exclusion of the GRH Property after the issuance of the 2010 Bonds. The GRH Property will therefore remain liable for its proportionate share of the principal and interest on the 2006 Bonds as well as the 2010 Bonds.

Z. As provided in the Service Plan, upon due organization of GRMD and HWMD the Districts executed an intergovernmental agreement with the Town of Granby (the "Town"), dated December 9, 2003 (as amended, the "Town IGA"), which Town IGA imposes, inter alia, certain obligations on the Districts with respect to the maintenance of streets, and contemplates that in order to provide for the payment of such obligations (as more particularly defined therein, the "Cure Amount"), the Districts would, if necessary, impose an operations fee.

AA. In order to provide for the ongoing operations and maintenances of the Facilities, GRMD and HWMD adopted a Joint Resolution of the Boards of Directors of Headwaters Metropolitan District and Granby Ranch Metropolitan District Concerning the Imposition of District Fees (as may be amended from time to time, the "Operations Fee Resolution"), pursuant to which the Districts authorized the imposition of a monthly "Operations Fee" to be imposed as set forth in the Operations Fee Resolution.

BB. The Parties desire to set forth their understanding with regards to the implementation of the Operations Fee Resolution.

CC. GRH and HWMD have entered into a 2006 Funding and Reimbursement Agreement ("2006 Funding Agreement") whereby GRH agreed to advance funds to HWMD for operations and maintenance costs until certain thresholds were met ("Funding Threshold").

DD. As the "Funding Threshold" has been met, the Parties desire to set forth their understanding regarding the funding of general administrative costs (e.g. insurance, legal fees, accountants' fees, auditing costs, etc.) and operation and maintenance costs associated with owning and maintaining the Facilities (collectively, the "O&M Costs").

EE. As questions have arisen concerning the proper method of implementing the "Gallagherization" concept set forth in the Service Plan and respective bond documents, the parties desire to set forth the Gallagherization methodology to be used with respect to both the 2006 Bonds and the 2010 Bonds.

AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants and promises set forth herein, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

ARTICLE I
PURPOSE

1.1 Purpose. The purpose of this Agreement is to document the terms and conditions under which GRMD will exclude the Property from the boundaries of District; together with the maintenance, operations, and future obligations of each of the Parties.

1.2 Effective Date. The Effective Date for purposes of this Agreement shall be April 21, 2010.

ARTICLE II
EXCLUSIONOF THE PROPERTY/ DEBT OBLIGATIONS

2.1 Property to be Excluded. GRMD agrees, pursuant to the terms and conditions herein, and upon making the determinations required by Section 32-1-501 *et seq.*, C.R.S, to adopt an Order and Resolution excluding the Property from the boundaries of GRMD, pursuant to Section 32-1-501, *et seq.*, C.R.S, and to process the exclusion with the District Court in and for Grand County, Colorado.

2.2. Continued Obligation for Outstanding Debt. The Property, once excluded, shall remain liable for its proportionate share of the principal and interest on any outstanding bonded indebtedness of the District existing immediately prior to the effective date of the exclusion order. The indebtedness for which the Property shall remain proportionately liable is set forth as follows:

a. Granby Ranch Metropolitan District, Limited Tax General Obligation Bonds, Series 2006, in the principal amount of $14,725,000, dated June, 1, 2006, with a final maturity date of December 1, 2036.

b. Granby Ranch Metropolitan District, Limited Tax General Obligation Subordinate Bonds, Series 2010, in the principal amount of $11,119,000, dated April 21, 2010, with a final maturity date of December 15, 2049.

2.3 Contractual Obligation Indebtedness. The contractual obligation indebtedness for which the Property shall remain liable is $0.00.

2.4 Future Debt. The Property shall not be liable for any indebtedness issued after the effective date of the Court's order for exclusion.

2.5 Future Inclusions. Within six (6) months of the Effective Date, GRH shall file a petition for inclusion with one of the GRMD Nos. 2-8 or GRMD requesting the GRH Property be included within the boundaries of such district.

ARTICLE III
FEES, RATES, TOLLS, AND CHARGES

3.1 Capital Facilities Fees. The Property shall remain liable for payment of the District's Capital Facilities Fee imposed pursuant to the Amended and Restated Joint Resolution of the Board of Directors of Headwaters Metropolitan District and Granby Ranch Metropolitan District to Establish a Capital Facilities Fee, adopted on June 7, 2006, ("Capital Facility Fee Resolution").

3.2 Amenity Fees. Unless otherwise agreed by HWMD, the Parties agree that the "Amenity Fee" established pursuant to the Joint Resolution of the Boards of Directors of Headwaters Metropolitan District and Granby Ranch Metropolitan District to Establish an Amenity Fee, duly adopted May 26, 2005 (as amended, the "Amenity Fee Resolution") shall

remain in full force in effect, that the Property shall remain liable for payment of Amenities Fees, and HWMD shall continue to impose and collect the Amenity Fee pursuant to the terms of the Amenity Fee Resolution.

3.2.1 Assignment and Receipt. GRMD acknowledges and agrees that the Amenity Fees are payable to HWMD and GRMD has no right, title or interest thereto. Accordingly, any Amenity Fees received by GRMD shall be paid over to HWMD by GRMD as soon as practical, and GRMD agrees to execute any necessary documents to assign all right, title, and interest in any Amenity Fee to HWMD.

3.3 Operations Fee. GRMD shall, subject to the consent of HWMD, impose the Operations Fee in an amount sufficient to fund the deficiency in the Improvement Operating Budgets and Cure Amounts, in accordance with the Operations Fee Resolution. GRMD and HWMD agree that the adopted 2010 budget for HWMD constituted and incorporated the Improvement Operating Budgets as part thereof and shall constitute the Improvement Operating Budgets to be used for determination of the Monthly Rate to be imposed and collected during the 2010 fiscal year, if any. As at the time of the adoption of the HWMD and GRMD 2010 budgets it was not anticipated that an Operations Fee would be imposed, the December 20 deadline for providing written notice of the imposition of the fee to all homeowners is hereby extended to June 1, 2010, applicable to the 2010 fiscal year only.

3.3.1 The Property shall not be liable for the Operations Fee and the Districts shall record an amendment to the Memorandum of Resolution Concerning the Imposition of District Fees, recorded in the real property records of Grand, County, Colorado at reception #2007002391 (the "Fee Memorandum") stating that the Fees, as that term is defined in the Fee Memorandum, no longer constitute a valid, perpetual lien against the Property.

3.4 Operations and Maintenance Levy. The Property shall not be liable for any property tax levied by GRMD for operating costs of GRMD after the effective date of the Court's order for exclusion and, in addition, shall not be liable or have any obligations for operations of GRMD of any kind.

3.5 Imposition of other Fees, Rates, Tolls or Charges. Other than the Capital Facility Fee and the Amenity Fee, GRMD acknowledges and agrees that it has no right or authority to impose, and shall not otherwise attempt to impose, establish, or assess, any new or additional fee, rate, toll, or charge, against any portion of the Property, and that the Capital Facility Fee and Amenity Fee shall be limited to increases in accordance with the terms of the respective implementing resolution (collectively, the "Implementing Resolutions"). Neither GRMD nor HWMD shall repeal, modify, or amend the Implementing Resolutions without the written consent of the other party. In accordance herewith, the Property shall not be liable for any service charge, tap fees, or other rates, fees, tolls or charges imposed pursuant to Section 32-1-503, C.R.S., to supplement the proceeds of tax levies for any indebtedness of GRMD and the interest thereon.

ARTICLE IV
MASTER INTERGOVERNMENTAL AGREEMENT

4.1 Repudiation of 2008 Master IGA. GRMD hereby confirms its repudiation of the 2008 Master IGA, acknowledges and agrees that the 2006 Master IGA is of full force and effect, and covenants to comply with its commitments and obligations thereunder.

4.1.1 Consent to Repudiation. HWMD hereby consents to GRMD's repudiation of the 2008 Master IGA and affirms that the 2006 Master IGA is of full force and effect.

4.2 Contractual Obligations. The Parties agree that as of March 31, 2010, the obligations owing from GRMD to HWMD under the 2006 Master IGA include $913,964 in Service Costs and $11,753,178 in Capital Costs. As partial consideration for this Agreement, the Parties agree to an allocation of Capital Costs to properties other than those in GRMD. This allocation reduces the Capital Costs due and owing under the 2006 Maser IGA to $10,205,653. The Parties agree that upon issuance of the 2010 Bonds in the aggregate principal amount of $11,119,000, all debt obligations of GRMD to HWMD under the 2006 Master IGA are hereby deemed paid in full.

4.3 Amendment to 2006 Master IGA. HWMD and GRMD agree to amend the 2006 Master IGA as follows:

4.3.1 Liability of the Districts. Notwithstanding any provision in the 2006 Master IGA to the contrary, no provision, covenant, or agreement contained in the 2006 Master IGA, nor any obligation imposed upon HWMD or GRMD thereunder, shall constitute or create indebtedness of either District within the meaning of any Colorado constitutional provision or statutory limitation. No provision of the 2006 Master IGA shall be construed or interpreted as a delegation of governmental powers, or as creating a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever, or statutory debt limitation, including, without limitation, Article X, Section 20 or Article XI, Section 6 of the Constitution of the State of Colorado. Each District's obligations under the 2006 Master IGA shall exist subject to annual budgeting and appropriations. All payment obligations of either District are expressly dependent and conditioned upon the continuing availability of funds beyond the term of the District's current fiscal period. Financial obligations of a District payable after the current fiscal year are contingent upon funds for that purpose being appropriated, budgeted, and otherwise made available in accordance with the applicable rules, regulations, and resolutions of the District and any other applicable law.

4.3.2 Termination. The termination provision contained in Section 8.2 (g) of the 2006 Master IGA is hereby amended to provide that failure of a District to budget and appropriate funds for the succeeding year shall terminate the 2006 Master IGA in its entirety as of December 31 of the current year. In order to allow the Districts adequate time to prepare budgets for the ensuing fiscal year, if either District anticipates terminating the 2006 Master IGA, the terminating District shall, on or before August 1, notify the other District, in writing, of its intent to terminate the 2006 Master IGA. On or before September 1, the terminating District

shall send written confirmation of its intent to terminate to the non-terminating District, and said confirmation shall constitute adequate notice of termination.

4.4 Conveyance of Improvements. GRMD shall convey and dedicate any public improvements for which it has ownership to HWMD for ownership, operations, and maintenance. GRMD shall execute such necessary conveyance documents to transfer and public improvements and related appurtenances to HWMD, including as necessary and appropriate, special warranty deeds, bills of sale, assignment agreements, or other conveyance documents, conveying title to the public facilities, infrastructure, any property and any appurtenances thereto owned by GRMD to HWMD.

ARTICLE V
O&M ADVANCES / BUDGET AMENDMENT/GALLAGHRIZATION

5.1 GRH Advances. The Parties acknowledge and agree that pursuant to the 2006 Funding and Reimbursement Agreement, dated April 11, 2006, the obligations of GRH to advance funds to HWMD for the purpose of funding operations and maintenance expenses of the Districts and any Cure Amounts, have been fulfilled, and therefore the obligation of GRH to make advances under said agreement is terminated and is no longer of any force or effect.

5.2 Contractual Obligation - Mill Levy Revenues. HWMD and GRMD agree that notwithstanding the fact that the Board of Directors of GRMD certified a contractual obligation levy of 9.044 mills ($162,096.97) to the Board of County Commissioners of Grand County, Colorado, to fund its contractual obligation to HWMD, the revenue from 3.414 mills of the amount so certified shall remain in the GRMD Debt Service Fund to be used towards debt service on the 2006 Bonds. GRMD shall transfer the remaining 5.630 mills ($100,915) to HWMD upon receipt from Grand County.

5.3 Budget Amendment. GRMD and HWMD shall each use good faith efforts to adopt amended budgets that recognize the provisions of this Article V.

5.4 Gallagherization. The Parties agree that with regard to the 2006 Bonds and the 2010 Bonds, the proper method of Gallagherization is that methodology demonstrated in **Exhibit A**, attached hereto and incorporated herein by this reference, which operates so that District revenues as a whole neither increase nor decrease as a result in the change of the percentage valuation of residential property.

ARTICLE VI
OPERATIONS

6.1 O&M Services. HWMD and GRMD agree that consistent with the Service Plan, the Town IGA, and the 2006 Master IGA, HWMD shall provide all general administrative services, operation and maintenance services, and Facilities for GRMD, and GRMD shall impose property taxes, fees, rates, tolls or charges and take other actions in cooperation with HWMD that may be necessary to fund the O&M Costs and allow HWMD to provide, operate and maintain the Facilities. GRMD agrees that it shall not attempt to provide, independent of HWMD, any operation and maintenance services for the Facilities.

6.2 Access to Improvements. GRMD shall not interfere with the operations and maintenance responsibilities of HWMD and shall not impair HWMD's access to any Facilities through the adoption of any rules, regulations, policies, procedures or other action reasonably interpreted by HWMD to impair HWMD's access, or access granted by HWMD to others, to any Facilities.

6.3 Future Development. Neither GRMD nor HWMD shall interfere with or restrict future construction or development with the Granby Ranch development.

ARTICLE VII
GENERAL REPRESENTATIONS AND WARRANTIES

7.1 General Representations and Warranties. To induce the Parties to enter into this Exclusion Agreement and to consummate the exclusion, each Party hereby represents and warrants to the other Parties, the following, with the understanding and intention that the other Parties are relying upon the accuracy of such representations and warranties, which representations and warranties will be deemed to be made by such Party to the other Parties as of the date of this Agreement and as of the Effective Date:

7.1.1 That it has all requisite power and authority to enter into and perform its obligations under this Agreement.

7.1.2 It has the full right, power and authority to execute and deliver, and to perform its obligations under, this Agreement without the consent, approval or license of any third party, and that this Agreement, when executed, shall constitute the valid, legal and binding obligation of the Party, enforceable in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors generally.

7.1.3 Neither the execution, delivery of performance of this Agreement by the Party will violate any law, rule, regulation, order or the like applicable to the Party, or conflict with, or result in, a breach or default, or require the consent under, the organizational documents or any agreement, order, or instrument to which it is a Party or by which it is bound.

7.1.4 To each of the Party's actual knowledge, there is no suit, governmental investigation or other proceeding or any pending or threatened suit or proceeding that would have an adverse affect on this Agreement or any of the acts or agreements contemplated hereunder.

7.15 Neither the execution of this Agreement, the consummation of the transactions contemplated hereunder, nor the fulfillment of or by the compliance with the terms and conditions of this Agreement by any of the Parties will conflict with or result in a breach of any terms, conditions, or provisions of, or constitute a default under, or result in the imposition of any prohibited lien, charge, or encumbrance of any nature under any agreement, instrument,

indenture, or any judgment order, or decree to which any Party is a party of or by which any Party is bound.

ARTICLE VIII
EVENTS OF DEFAULT, REMEDIES, AND CONFLICT RESOLUTION

8.1 Event of Default. It shall be an "Event of Default" hereunder if any Party fails to timely perform any of its obligations herein, including, but not limited to:

8.1.1 The violation of or failure to perform any material provision of this Agreement by any Party or the failure of any representation or warranty of any Party to be true;

8.1.2 The failure to pay any payment when the same shall become due and payable as provided herein and to cure such failure in accordance with Section 8.3.

8.1.3 The failure to perform or observe any other covenants, agreements, or conditions in this Agreement on the part of any Party and to cure such failure in accordance with Section 8.3.

8.1.4 Any effort by any Party, or the failure of any Party to resist the efforts of any person, that might reasonably be believed to result in the avoidance by court order or otherwise of any Party's obligations under this Agreement;

8.1.5 Any act or omission by any Party, or the failure of any Party to resist the acts or omissions of any person, that might reasonably be believed to result in the interference in the exercise of any Party's rights hereunder; and/or

8.1.6 The failure of any Party to take such action as is required by law to enable each Party to perform its obligations hereunder, including but not limited to the failure of GRMD to appropriate revenues in any year sufficient to perform its obligations hereunder.

8.2 Delay/Waiver of Event of Default. No delay or omission of any Party to exercise any right or power accruing upon any Event of Default shall exhaust or impair any such right or power or shall be construed to be a waiver of any such Event of Default, or acquiescence therein.

8.2.1 No waiver of any Event of Default hereunder by any Party shall extend to or affect any subsequent or any other then existing Event of Default or shall impair any rights or remedies consequent thereon. All rights and remedies of the Parties provided herein may be exercised with or without notice, shall be cumulative, may be exercised separately, concurrently or repeatedly, and the exercise of any such right or remedy shall not affect or impair the exercise of any other right or remedy.

8.3 Remedies. Upon an Event of Default, the non-defaulting Party shall provide written notice to the defaulting Party, which notice shall explicitly state the Event of Default. The defaulting Party shall have fifteen (15) days to cure such Event of Default, or, to commence to cure such Event of Default if the default is of a nature that a cure cannot be cured within

fifteen (15) days. If the defaulting Party fails timely to cure such Event of Default, the Parties shall initiate the Dispute Resolution provisions of Section 8.4.

8.4 Dispute Resolution. If a Party claims that an Event of Default has occurred and is continuing and the defaulting Party has failed to cure as required in 8.3:

8.4.1 The non-defaulting Party shall provide a written "Notice of Continuing Event of Default" to the other Party explaining the dispute and at least one alternative for a solution;

8.4.2 a Resolution Committee shall be convened no later than ten (10) working days after receipt of the Notice of Continuing Event of Default;

8.4.3 Each party to the dispute shall appoint two (2) board members/representatives to the Resolution Committee and each party may utilize such staff support as that entity deems appropriate;

8.4.4 forthwith, the Resolution Committee shall meet to review such information as may be presented to the Resolution Committee, make such independent investigations, and decide the dispute by concurrence of the Resolution Committee at a meeting following reasonable notice at which all are present;

8.4.5 in its review of the dispute, the Resolution Committee shall review the facts, the technical objections, and any other materials presented to the Resolution Committee, and shall make a determination that shall resolve all of the issues concerning the dispute. The standards that the Resolution Committee shall use in the determination of any dispute shall include (i) the impact of any technical, operational or maintenance issues, (ii) the financial impact of any proposed resolution, (iii) the feasibility of any proposed resolution, and (iv) the language and intent of this Agreement and any related agreements impacting the Event of Default, and (v) whether the determination substantially hinders a party from the benefit of this Agreement, the Property or the Facilities described herein and in which it has an interest;

8.4.6 the Resolution Committee shall provide its written decision to the Parties within thirty (30) days of the convening of the Resolution Committee.

8.5 Legal Proceedings. The decision of the Resolution Committee may be appealed to the District Court in and for Grand County, Colorado and shall not be deemed a final decision by arbitration. If the Resolution Committee fails to render a decision within thirty (30) days of being convened, then the non-defaulting party may seek such other remedies as may be allowed by law. As a condition precedent to the exercise of any legal or equitable remedy by any Party for an alleged Event of Default, each Party agrees to comply with the provisions of Section 8.4.

8.5.1 In addition to remedies generally available at law or in equity, any Party may ask a court of competent jurisdiction to enter a writ of mandamus to compel any other Party to perform its duties under this Agreement, and any District may seek from a court of competent

jurisdiction temporary and/or permanent injunctions, or orders of specific performance, to compel the other to perform in accordance with the obligations set forth under this Agreement.

8.5.2 The Parties may protect and enforce their rights under this Agreement by such suit, action, or special proceedings as they shall deem appropriate, including without limitation any proceedings for specific performance of any covenant or agreement contained herein, for the enforcement of any other appropriate legal or equitable remedy, or for the recovery of damages caused by breach of this Agreement, including attorney's fees and all other costs and expenses incurred in enforcing this Agreement.

8.5.3 Except as otherwise provided by law, no recovery of any judgment by the Parties shall in any manner or to any extent affect any rights, powers, and remedies of the Parties hereunder, but such rights, powers, and remedies of the Parties shall continue unimpaired as before.

8.5.4 In case any Party shall have proceeded to enforce any right under this Agreement and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to such Party, then and in every such case the Parties shall be restored to their former positions and rights hereunder, and all rights, remedies, and powers of the Parties shall continue as if no such proceedings had been taken.

ARTICLE IX
GENERAL PROVISIONS

9.1 Negotiated Provisions. This Agreement shall not be construed more strictly against one Party than against another merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being acknowledged that each Party has contributed substantially and materially to the preparation of this Agreement.

9.2 Termination Upon Mutual Agreement. This Agreement may be terminated at any time by written agreement signed by all of the parties to this Agreement.

9.3 Relationship of Parties. Nothing contained in this Agreement shall be construed as making the Parties partners, agents or joint venturers of the other. It is expressly understood and agreed that enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to the Parties and nothing contained in this Agreement shall give or allow any such claim or right of action by any other third party on such Agreement. It is the express intention of the Parties that any person other than Parties receiving services or benefits under this Agreement shall be deemed to be an incidental beneficiary only. Nothing contained in this Agreement is intended to or shall create a contractual relationship with, cause of action in favor of, or claim for relief for, any third party, including any agent, consultant or contractor of the Parties. Absolutely no third party beneficiaries are intended by this Agreement. Any third party receiving a benefit from this Agreement is an incidental and unintended beneficiary only.

9.4 Amendment. No amendment or modification of this Agreement will be valid or binding unless reduced to writing and executed by the Parties hereto.

9.5 Further Assurances. Each Party hereto will from time to time execute and deliver such further reasonably acceptable instruments as the other Party or its counsel may reasonably request to effectuate the intent of this Agreement.

9.6 Cooperation/Good Faith. Each party shall fully cooperate to give effect to the intent and purposes of this Agreement. In the performance of this Agreement, or in considering any requested approval, acceptance, or extension of time, the Parties agree that each will act in good faith and will not act unreasonably, arbitrarily, capriciously, or unreasonably withhold, condition, or delay any approval, acceptance, or extension of time required or requested pursuant to this Agreement.

9.7 Controlling Law. The parties hereto expressly agree that the terms and conditions hereof, and subsequent performance hereunder, will be construed and controlled by the laws of the State of Colorado.

9.8 Interpretation. Captions and headings used in this Agreement are for convenience of reference only and will not affect the construction of any provision of this Agreement. As used herein, the singular will include the plural, and vice versa; any gender will be deemed to include the masculine, feminine and neuter gender; and the terms "including," "include" or derivatives thereof, unless otherwise specified, shall be interpreted in as broad a sense as possible to mean "including, but not limited to," or "including, by way of example and not limitation."

9.9 Severability. If any portion of this Agreement is declared by any court of competent jurisdiction to be void or unenforceable, such decision shall not affect the validity of any remaining portion of this Agreement, which shall remain in full force and effect. In addition, in lieu of such void or unenforceable provision, there shall automatically be added as part of this Agreement a provision similar in terms to such illegal, invalid or unenforceable provision so that the resulting reformed provision is legal, valid and enforceable.

9.10 Binding Effect. The provisions hereof will be binding upon and inure to the benefit of the heirs, successors, personal representatives and assigns of the Parties.

9.11 Waiver. No exercise or waiver, in whole or in part, of any provision of this Agreement will operate as a waiver of any right or remedy, or constitute a waiver of any other provision of this Agreement, nor shall such waiver constitute a continuing waiver, unless otherwise expressly provided herein. The waiver of any default hereunder shall not be deemed a waiver of any subsequent default hereunder.

9.12 Article X, Section 20/TABOR. The Parties understand and acknowledge that each Party is subject to Article X, § 20 of the Colorado Constitution ("TABOR"). The Parties represent that they have or will have budgeted and appropriated sufficient funding to meet their respective obligations set forth in this Agreement. Therefore, the Parties acknowledge that the provisions of Article X, Section 20 of the Colorado Constitution are met. For any amounts not fully appropriated, the Parties do not intend to violate the terms and requirements of TABOR by the execution of this Agreement. It is understood and agreed that this Agreement does not create a multi-fiscal year direct or indirect debt or obligation within the meaning of TABOR and, therefore, all payment obligations of a Party are expressly dependent and conditioned upon the

continuing availability of funds beyond the term of the Party's current fiscal period. Financial obligations of a Party payable after the current fiscal year are contingent upon funds for that purpose being appropriated, budgeted, and otherwise made available in accordance with the applicable rules, regulations, and resolutions of the Party and any other applicable law.

9.13 Entire Agreement. This Agreement and the Exhibits attached hereto embody the entire agreement between the parties hereto with respect to the subject matter hereof and supersede any and all prior agreements and understandings, written or oral, formal or informal with respect thereto.

9.14 Assignment. No Party shall assign this Agreement or any interest hereunder in whole or in part, without the prior written consent of each of the other Parties, which consent shall not be unreasonably withheld. Any assignment attempted with the prior written consent of all Parties hereto shall be deemed void and of no force or effect. Consent to one assignment shall not be deemed to be consent to any subsequent assignment nor the waiver of any right to consent to such subsequent assignment.

9.15 Notices. All notices, demands and communications (collectively, "Notices") under this Agreement shall be delivered or sent by: (a) first class, registered or certified mail, postage prepaid, return receipt requested, (b) nationally recognized overnight carrier, addressed to the address of the intended recipient set forth below or such other address as either party may designate by notice pursuant to this Section, or (c) sent by confirmed facsimile transmission, PDF or email. Notices shall be deemed given either one business day after delivery to the overnight carrier, three days after being mailed as provided in clause (a) above, or upon confirmed delivery as provided in clause (c) above.

To HWMD:

Headwaters Metropolitan District
c/o Robertson & Marchetti, P.C.
28 Second Street, Suite 213
Edwards, CO 81632
Attn: Melissa McClendon
(P) 970-926-6060
(F) 970- 926-6040
Email: melissa@rmpccpa.com

With a copy to:

WHITE, BEAR & ANKELE
Professional Corporation
Attention: Gary R. White, Esq.
1805 Shea Center Drive, Suite 100
Highlands Ranch, Colorado 80129
(P) 303-858-1800
(F) 303-858-1801
Email: gwhite@wbapc.com

To GRMD:

Granby Ranch Metropolitan District
c/o Robertson & Marchetti, P.C.
28 Second Street, Suite 213
Edwards, CO 81632
Attn: Eric Weaver
(P) 970-926-6060
(F) 970- 926-6040
Email: eric@rmpccpa.com

With a copy to:

WHITE, BEAR & ANKELE
Professional Corporation
Attention: Gary R. White, Esq.
1805 Shea Center Drive, Suite 100
Highlands Ranch, Colorado 80129
(P) 303-858-1800
(F) 303-858-1801
Email: gwhite@wbapc.com

To GRH:

Granby Realty Holdings, LLC
PO Box 1110
Granby, Colorado 80446

With a copy to:

Holme Roberts & Owen LLP
1700 Lincoln St., Suite 4100
Denver, Colorado 80203-4541
Attn: Paul V. Timmins, Esq.
(P) 303-866-7000
(F) 303-866-0200
Email: paul.timmins@hro.com

Any Party may change its address for the purpose of this Section 9.15 by giving written notice of such change to the other Party in the manner provided in this Section.

9.16 Governmental Immunity. Nothing in this Agreement shall be construed to waive, limit, or otherwise modify, in whole or in part, any governmental immunity that may be available by law to a Party, its respective officials, employees, contractors, or agents, or any other person acting on behalf of a Party and, in particular, governmental immunity afforded or available to the GRMD and HWMD pursuant to the Colorado Governmental Immunity Act, Title 24, Article 10, Part 1 of the Colorado Revised Statutes.

9.17 Governing Law/Venue. This Agreement and all claims or controversies arising out of or relating to this Agreement shall be governed by, and enforced in accordance with, the laws of the State of Colorado. Any suit or proceeding arising from or relating in any way to the subject matter of this Agreement shall be brought only in the District Court for and in Grand County, Colorado. Each Party hereby consents to the exclusive personal jurisdiction and venue of the Grand County District Court.

9.18 Counterparts. This Agreement may be executed in several counterparts, each of which may be deemed an original, but all of which together shall constitute one and the same instrument. Executed copies hereof may be delivered by facsimile or email of a PDF document, and, upon receipt, shall be deemed originals and binding upon the Parties.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date first written above. This Agreement shall be deemed effective as of the Effective Date upon delivery of a fully executed copy hereof to the Parties.

GRANBY RANCH METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado

Kyle Harris, President

ATTEST:

Secretary

HEADWATERS METROPOLITAN DISTRICT, a quasi-municipal corporation and political subdivision of the State of Colorado

Kyle Harris, President

ATTEST:

Secretary

GRANBY REALTY HOLDINGS LLC, a Colorado limited liability company

Marise Cipriani, Manager

[Signature page to Exclusion Agreement]

333748-5

EXHIBIT A
TO EXCLUSION AGREEMENT

[See attached]

Granby Ranch Metro District
Calculation of "Gallagherized" Mill Levy Rate
For 2010 Budget Year - Final

	Debt Service		Contractual Obligation	
	Assd Value @ New Residential Assessment Rate	Hypothetical Assd Value @ Original Residential Assessment Rate	Assd Value @ New Residential Assessment Rate	Hypothetical Assd Value @ Original Residential Assessment Rate
Residential Assessment Rate	7.96%	9.15%	7.96%	9.15%
Residential Assessed Value	7,672,520	8,819,542	7,672,520	8,819,542
Non-Residential Assessed Value	10,250,630	10,250,630	10,250,630	10,250,630
Total Assessed Value	17,923,150	19,070,172	17,923,150	19,070,172
Debt Service Mill Levy Rate	44.156	41.500	9.044	8.500
Property Taxes	791,415	791,412	162,097	162,096

1. This is the "base" assessment rate from when the "Gallagarization" is to occur.

2. This is the current residential assessed value based on the current assessment rate.

3. This is a calculated hypothetical residential assessed value based on the residential assessment at the time the original mill levy rate was established.

4. The non-residential assessed value is the same in both columns.

5. This is the original debt service mill levy rate

6. This is the calculated mill levy rate to generate the same amount of tax that the old mill levy rate generated.

Debt Service Mill Levy Rate Above	44.156
Contractual Obligations Mill Levy Rate	9.044
Total Mill Levy Rate	53.200

EXHIBIT C