TERMINATION AGREEMENT

This **TERMINATION AGREEMENT** (the "Agreement") is entered into between **BANNING LEWIS RANCH METROPOLITAN DISTRICT NO. 2, EL PASO COUNTY, COLORADO** (the "District"), and **MREC OAKWOOD COLORADO RANCH LLC**, a Delaware limited liability company (the "Developer") as of the ____ day of _____, 2014:

WITNESSETH:

WHEREAS, the District and BLR I & II REO, LLC, an Ohio limited liability company (the "Predecessor"), have heretofore entered into that certain Restated Public Facilities and Operations Funding Agreement, dated as of November 1, 2011, as amended by that certain First Amendment to Restated Public Facilities and Operations Funding Agreement, dated as of March 1, 2013 (as amended, the "Reimbursement Agreement"), which, *inter alia*, creates a reimbursement obligation of the District for the repayment of certain amounts advanced to the District; and

WHEREAS, pursuant to Section 1.05 of the Reimbursement Agreement and that certain Assignment of Restated Public Facilities and Operations Funding Agreement, dated as of May 12, 2012, between the Predecessor and the Developer, all rights, duties, and obligations of the Predecessor under the Reimbursement Agreement have been assigned to the Developer; and

WHEREAS, based upon the report of CliftonLarsonAllen LLP, the unreimbursed amount due under the Reimbursement Agreement is not less than $_____; and

WHEREAS, the District is proposing the issuance to the Developer of its Subordinate General Obligation Limited Tax Bonds, Series 2014, in the aggregate principal amount of not less than $_____ (the "Bonds"), in payment of the District's obligations under the Reimbursement Agreement; and

WHEREAS, it is the intent of the District and the Developer that, upon issuance of the Bonds to the Developer as aforesaid, the Reimbursement Agreement shall be deemed fully performed by both parties, and shall be terminated and no longer of any force or effect; and

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. On the Termination Date (defined below), the Reimbursement Agreement shall be deemed fully performed by both parties, shall be terminated, and shall no longer be of any force or effect.

2. The Termination Date shall be any date on or before _____, 2014, on which the Bonds are issued to or to the order of the Developer, which Bonds shall be in form and substance satisfactory to the Developer in its absolute discretion. It is specifically agreed and understood by the parties that: (a) the issuance of the Bonds to the Developer as aforesaid is a condition precedent to the termination of the Reimbursement Agreement; (b) if the Bonds are not issued as aforesaid on or before _____, 2014, this Agreement shall be deemed terminated and of no further force or effect; and (c) if this Agreement is terminated due to the aforementioned

condition precedent not being satisfied, the Reimbursement Agreement shall be deemed to have been, and shall remain in, full force and effect, as if this Agreement was never executed.

3. The Developer hereby certifies that the Developer is an "accredited investor" as defined in Rule 501(a) of Regulation D under the Securities Act of 1933, as amended (the "1933 Act"), by reason of the Developer's status as a corporation not formed for the specific purpose of acquiring the Bonds, having total assets in excess of $5,000,000.

4. The Developer understands that there is a substantial degree of investment risk in acquiring and holding the Bonds, and has sufficient knowledge and experience in financial and business matters to be capable of evaluating the economic merits and risks of acquiring and holding the Bonds. The Developer has made such inquiries and has had such opportunity to review information from the District and others to which the Developer, as a reasonable investor, would attach significance in making its investment decision relating to the acquisition of the Bonds.

5. The Developer understands that: (a) the Bonds are subordinate, limited tax Bonds, payable solely from the Subordinate Pledged Revenue; (b) based upon a projection of Subordinate Pledged Revenue prepared at the time of issuance of the Bonds, it is not expected that the District will be able to pay current interest on the Bonds initially, and that the Bonds are expected to accrue interest for a period of years until the assessed valuation of the District has increased by the amount necessary to produce Subordinate Pledged Revenue in amounts sufficient to pay accrued and current interest; (c) the District has not obligated itself to impose an unlimited mill levy for the payment of the Bonds, and failure to pay the principal of or interest on the Bonds when due, in and of itself, does not constitute a default or an Event of Default; and (d) the ability of the District to impose a mill levy for payment of the Bonds is subject to the Maximum Debt Service Mill Levy Imposition Term under the Service Plan for the District in effect as of the date of issuance of the Bonds, and accordingly, the District may not be permitted and is not necessarily obligated to impose a debt service mill levy for payment of the Bonds for a period of time sufficient to repay all of the Bonds.

6. The Developer understands that no steps have been undertaken by the District or its officers, agents, or attorneys to ascertain the accuracy, completeness, or truth of any statement made or omitted concerning any of the material facts relating to the District, the Bonds, the financial condition or future prospects of the owners of property within the District, or the development within the District, and the Developer understands that the District and its officers, agents, or attorneys have made no representations concerning such matters. The Developer acknowledges that it has not relied upon the District or its officers, agents, or attorneys in this regard, and that it has performed its own financial analysis with regard to the District, the Bonds, such property owners, and the development within the District.

7. The Developer understands that (i) the Bonds have not been registered under the 1933 Act, or any applicable state securities or Blue Sky laws, and (ii) the Bonds were issued pursuant to exemptions from the registration requirements of such laws.

8. The Developer is acquiring the Bonds for its own account with the present intent of holding them for investment and not with a view to the distribution, transfer, or resale

thereof; provided that nothing herein prohibits the Developer from selling the Bonds, or any interest therein, in the future. The Developer hereby represents and agrees that it will not sell the Bonds, or any interest therein, except in compliance with applicable laws, including the 1933 Act. The Developer understands that there is no established secondary market for the Bonds.

9. The Developer has reviewed the Bond Resolution and all other relevant documents and agreements referred to therein and understands the provisions thereof.

10. The Developer is aware that no credit rating has been sought or obtained with respect to the Bonds.

The representations made herein shall survive the death or any dissolution or reorganization of the Developer.

MREC Oakwood Colorado Ranch LLC
a Delaware limited liability company

By: _____

As: _____

Banning Lewis Ranch Metropolitan District No. 2, El Paso County, Colorado
a Colorado special district

By: _____
President