

**FIRST AMENDMENT TO
ADVANCE AND REIMBURSEMENT AGREEMENT
(Capital Costs)**

This FIRST AMENDMENT TO ADVANCE AND REIMBURSEMENT AGREEMENT ("First Amendment") is made and effective as of the 9th day of November, 2010, by and between **CORNERSTONE METROPOLITAN DISTRICT NO. 1**, a quasi-municipal corporation and political subdivision of the State of Colorado ("District"), and **CORNERSTONE MONTROSE LLC**, a Delaware limited liability company ("Developer"). The District and the Developer are sometimes individually referred to as a "Party" and collectively as the "Parties."

RECTALS

WHEREAS, on April 18, 2006, the Parties entered into an *Advance and Reimbursement Agreement* wherein the Developer agreed to loan to the District one or more sums of money to fund certain capital costs (the "Agreement"); and

WHEREAS, Sections 14 of the Agreement provides that the terms of the Agreement may be amended or modified by written agreement of the Parties; and

WHEREAS, the Parties desire to increase the amount that may be loaned under the Agreement and;

WHEREAS, the Parties also desire to extend the Term of the Agreement.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties covenant and agree as follows:

AGREEMENT

1. LOAN AMOUNT. The Parties hereby amend and restate Paragraph 2 of the Agreement in its entirety as follows:

"2. Loan Amount and Term. The Developer may, pursuant to the terms of this Agreement, advance to the District for the District's benefit, one or more sums of money, which advances will not exceed the aggregate of Seven Million Eight Hundred Thousand Dollars (\$7,800,000), which constitutes the maximum amount that may be loaned and repaid hereunder, notwithstanding any payment or prepayment of any portion of such loaned amount pursuant to the terms hereof. These funds may be advanced to the District or for the District's benefit during calendar years 2010 and 2011, which shall constitute the "**Term**" of this Agreement."

2. TERMINATION. The Parties hereby amend and restate Paragraph 9 of the Agreement in its entirety as follows:

“9. Termination.

A. The Developer’s obligations to advance funds to the District in accordance with this Agreement shall terminate on December 31, 2011, except to the extent advance requests have been made to the Developer that are pending by this termination date, in which case said pending request(s) will be honored notwithstanding the passage of the termination date.

B. The District’s obligations hereunder shall terminate at the earlier of the repayment in full of Seven Million Eight Hundred Thousand Dollars (\$7,800,000) due (or such lesser amount loaned or expended on the District’s behalf hereunder if it is determined that no further loan advances shall be required hereunder) or forty (40) years from the execution date hereof, provided that the District shall continue to be obligated to pay any amounts then owing in accordance with the terms thereof.”

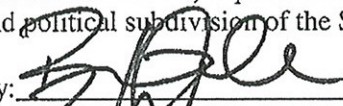
3. PRIOR PROVISIONS EFFECTIVE. Except as specifically amended hereby, all the terms and provisions of the Agreement shall remain in full force and effect.

4. COUNTERPART EXECUTION. This First Amendment 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 executed this First Amendment as of the date first set forth above.

**CORNERSTONE METROPOLITAN
DISTRICT NO. 1**, a quasi-municipal corporation
and political subdivision of the State of Colorado

By: 
Brian Wallin, President

ATTEST:



CORNERSTONE MONTROSE LLC,
a Delaware limited liability company

By: HRC-Montrose Development, L.P.,
a Delaware limited partnership,
its managing member

By: HRC-Montrose GP, L.L.C.,
a Delaware limited liability
company,
its general partner

By: 

**Diane B. Hornquist
Vice President**

[Signature page to First Amendment to Advance and Reimbursement Agreement (Capital Costs)]