

SCHEDULE 10

SERVICING CAPACITY OWNERSHIP

GENERAL POLICY

1. The Developer has, and will continue to, oversize certain Works and Services constructed and installed in connection with the Proposed Development so that such Works and Services have capacity for the future development within the Proposed Development when it is fully built out. For example, the summit reservoir is being built with enough capacity to service, not just the summit phase (previously approved and under construction and not the subject of this Agreement) (the “Summit Phase”), but the future Highlands Phases of the Proposed Development with potable water. It has not been oversized to accommodate any development other than the Proposed Development.
2. The Developer and the District agree, and the District hereby covenants with the Developer, that even though ownership of certain Works and Services (for instance, the reservoir) constructed by the Developer either has been transferred (pursuant to the Lakestone Master Plan) or will be transferred (pursuant to this Agreement) to the District after completion, one hundred percent (100%) of the capacity of such Works and Services (the “Capacity”) will be reserved exclusively for the Proposed Development.
3. An essential part of fulfilling the above is that the District will not issue Building Permits on subdivided parcels for densities above what has been allocated by the Developer. For example, the District may not approve a duplex, triplex, etc. on a single-family lot (which would use more services than a single-family home) if the Developer has allocated that parcel as being a single-family home. Similarly, a multifamily parcel may only have the number of units the Developer allocates to it.
4. If the Developer constructs other Works and Services with Capacity in excess of that required for the Proposed Development when it is fully built out, such the excess Capacity will be recorded in a similar manner.
5. For clarity, at this stage of the planning for the Proposed Development, there is no oversizing planned and so all Capacity of constructed Services will be reserved for the Proposed Development.