

UTILITIES SERVICES AGREEMENT

This Utilities Services Agreement ("Agreement") is made this _____ day of _____, 1986, by and between The Regents of the University of California, a California Public Corporation ("The Regents") and West Campus Point Homeowners Association, a California mutual benefit corporation (the "Association") with reference to the following facts:

A. The Regents is the owner of that certain real property described in Exhibit A, attached hereto (the "Property").

B. The Regents is leasing portions of the property, described as Residential Lots 1 through 65 in the Declaration defined below, to individual purchasers of residential improvements constructed on such lots. The lot lessees and residence owners shall be referred to as "Owners."

C. The Regents has leased to the Association the common area lot constituting a portion of the property pursuant to that certain Common Area Lease dated concurrently herewith ("Common Area Lease").

D. The property is subject to that certain Declaration of Covenants, Conditions and Restrictions of West Campus Point Planned Unit Development dated concurrently herewith ("Declaration").

E. The Regents has arranged for provision of water and sewer utility services to the property in connection with the development made thereon pursuant to the Declaration.

F. The Association will assume various obligations with respect to collection of charges for utility services all as more particularly defined in this Agreement.

NOW THEREFORE, The Regents and the Association agree as follows:

1. Provision of Utility Services. The Regents will provide water and sewer services to the property for the benefit of the Association and the Owners subject to the terms and conditions set forth below (the "Utility Services").

2. Restriction on the Utility Services. The Regents may impose restrictions on the Utility Services as follows:

(a) Association for itself and on behalf of the Owners acknowledges that The Regents may be restricted in the

quantity of water which may be furnished to the property, the Association and the Owners. Accordingly, The Regents reserves the right to limit the amount of water delivered pursuant to this Agreement for such times and on such terms and conditions as The Regents may deem necessary provided that such limitations are essentially equivalent to limitations imposed upon other users of water supplied by The Regents.

(b) Upon any limitation being imposed upon the water delivered pursuant to this Agreement, the Association shall apportion such available water among the Owners pursuant to a formula which equitably divides such water among the Owners in accordance with such considerations such as the size of the residences of the Owners, the number of persons inhabiting the residences and such other matters as the Association may deem appropriate in making such an allocation.

(c) Generally, in connection with the provision of all utility services covered by this Agreement, the Association for itself and on behalf of the Owners acknowledges that general limitations may be imposed by The Regents or the outside agencies upon which The Regents depends for the respective utility service which may cause The Regents to impose similar restrictions upon the users whom it serves. Accordingly, such limitations may be imposed upon the Association and the Owners in accordance with an equitable apportionment of the burden of such limitations among all users whom The Regents supply.

3. Charges for Utility Services. The Regents shall impose upon the Association, and the Association shall pay to The Regents, such charges as may be imposed from time to time by The Regents for the respective utility service. The Regents will charge for each respective utility service its costs of providing that service to the Association and the Owners. The Regents' "costs" shall include the following:

(a) the prorata share of costs incurred by The Regents in obtaining the respective utility service from the agency or entity providing it.

(b) the prorata share of costs of installation, repair and maintenance and operation any distribution system owned or utilized by The Regents used in connection with furnishing the respective utility service.

(c) an appropriate and equitable charge for The Regents' administrative costs in managing, operating and administering the respective utility service.

The intent of this provision is to permit The Regents to recover its actual and true costs of providing the utilities covered by this Agreement to the Association and the Owners. All costs and equitable allocation of costs attributable to providing these services to the Association and the Owners shall be included in the charges to be made by The Regents to the Association and Owners hereunder. In the event that The Regents undertakes to provide any of the utility services directly, such as by desalinating sea water and delivering that water as a part or all of the water provided the Association and the Owners, The Regents' direct costs as allocated to its respective users of such direct provision of a service shall be included.

4. Collection of Charges. By this Agreement, it is the intent of the parties that The Regents will provide the utilities services to the Association for its own behalf and through the Association as agent for the benefit of the Owners. The Association, however, shall be responsible to The Regents for the payment of all charges for utility services under this Agreement regardless whether or not it is able to collect such charges from one or more Owners. In the event that one or more Owners is delinquent in his payment or his utility charges, the Association is empowered to terminate the utility service to that owner until those charges along with reasonable penalties and costs incurred as a result of such delinquency are paid in full.

5. Termination. This Agreement shall continue in effect so long as (i) the Common Area Lease is in effect between The Regents and the Association or (ii) any Residential Lot Lease is in effect between The Regents and any owner or until one or more of the utility services covered hereby is provided directly by a utility supplier in which event this Agreement shall be modified to delete that utility from the provisions hereof.

THE REGENTS OF THE UNIVERSITY
OF CALIFORNIA,
A California Public Corporation

By _____

WEST CAMPUS POINT HOMEOWNERS ASSOCIATION
A California Mutual Benefit Corporation

By _____