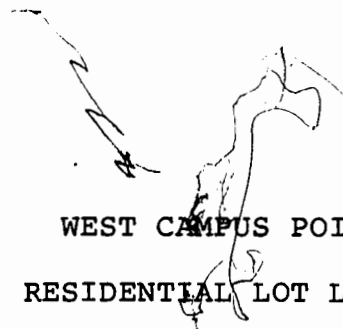


I.E

EXHIBIT B TO
PURCHASE CONTRACT

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WEST CAMPUS POINT
RESIDENTIAL LOT LEASE
UNIVERSITY OF CALIFORNIA
SANTA BARBARA

5/24/88

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EXHIBITS:

- FIRST - DESCRIPTION OF PROPERTY
- SECOND - DESCRIPTION OF RESIDENTIAL LOT
- THIRD - LIST OF LIENS AND ENCUMBRANCES, IF ANY, ON LOT
- FOURTH - WEST CAMPUS POINT PROPERTY USE
AND MAINTENANCE REGULATIONS

WEST CAMPUS POINT
RESIDENTIAL LOT LEASE

THIS RESIDENTIAL LOT LEASE is made and entered into as of this _____ day of _____, 19 ____, by and between THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, a California public corporation ("The Regents"), and _____ (the "Owner").

PREAMBLE

1. The Regents is the owner of certain real property which is located at West Campus Point, unincorporated area, County of Santa Barbara, State of California, described in Exhibit "A" attached to and made a part of the Declaration of Covenants, Conditions and Restrictions of West Campus Point Planned Unit Development recorded December 11, 1986 as Instrument No. 1986-081389 of Official Records, of which Residential Lot _____ described in Exhibit First hereof is a part.

2. The Regents intend to develop up to sixty-five (65) units of for-sale housing ("Residences") on the Property for the principal benefit and convenience of the members of the faculty and academic staff of the University of California Santa Barbara (the "Housing Program").

3. The principal objective of the Housing Program is to strengthen the educational program at the University of California Santa Barbara, by fostering an academic community near the campus; creating affordable for-sale housing for members of the University's faculty and staff, and assisting in the recruitment and retention of faculty.

4. Owner seeks to lease Residential Lot _____ from The Regents and to purchase a Residence located on the Residential Lot.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties to this Residential Lot Lease agree as follows:

ARTICLE I - DEFINITIONS AND EXHIBITS

Section 1.01. Definitions. As used in this Residential Lot Lease:

(a) "Academic Senate" means the Academic Senate of the University of California Santa Barbara.

(b) "ARB" means the Architectural Review Board established pursuant to Article IX, section 2 of the CC&Rs.

(c) "Association" means the West Campus Point Homeowners Association, a California mutual benefit corporation, its successors and assigns.

(d) "Common Area" means the real property within the project leased pursuant to the Common Area Lease by The Regents to the Association for the common use and enjoyment of the owners.

(e) "Common Area Lease" means ground lease (or any amendment thereof or addition or successor agreement thereto) by and between The Regents as lessor and the Association as lessee for all land within the Property other than that leased or to be leased pursuant to a Residential Lot Lease.

(f) "Declaration" or "CC&Rs" means the Declaration of Covenants, Conditions and Restrictions of West Campus Point Planned Unit Development which was recorded on December 11, 1986, as Instrument No. 1986-081389, Official Records of the County of Santa Barbara, State of California.

(g) "Housing Program" means the program approved by The Regents for the development and construction of up to sixty-five (65) Residences in a community to be known as West Campus Point, for the benefit of the faculty and staff of the University, and includes any amendments or modification to such Program which, after approval by The Regents, may from time to time be made.

(h) "Lender" means The Regents, any savings bank, savings and loan association, commercial bank, trust company, credit union, insurance company, real estate investment trust, pension fund, or other lending institution of substance (including secondary market mortgage purchasers) which performs functions similar to any of the foregoing, which makes or is the assignee of a loan to the Owner secured by a deed of trust on the Residence located on the Residential Lot.

(i) "Maximum Resale Price" means the maximum permitted resale price of the Residence and the improvements located thereon as determined pursuant to the provisions of Section 3.07 of this Residential Lot Lease.

(j) "Owner" means the lessee identified in the first paragraph of this Residential Lot Lease.

(k) "Person" means a natural person, corporation, business trust, estate, trust, partnership, association, joint venture, government, governmental subdivision or agency, or other legal or commercial entity as the context may require.

(l) "Property" means that certain real property located at West Campus Point, unincorporated area, County of Santa Barbara, State of California, described in Exhibit "A" attached to and made a part of the Declaration of Covenants, Conditions and Restrictions of West Campus Point Planned Unit Development recorded December 11, 1986 as Instrument No. 1986-081389 of Official Records, in the Office of the County Recorder of the County of Santa Barbara.

(m) "Regents" means The Regents of the University of California or any designee or authorized agent thereof.

(n) "Regulations" means the Property Use and Maintenance Regulations, as set forth in Exhibit Fourth to this Residential Residential Lot Lease and as hereafter amended.

(o) "Residence" means the residential structure or structures including patio areas, enclosed yards and garages, now, or hereafter during the term hereof, located on a Residential Lot.

(p) "Successor Owner" means any purchaser/assignee who is a successor in interest to the Owner with respect to any Residential Lot pursuant to the provisions of Section 3.04 of this Residential Lot Lease, or any person who succeeds to an interest under this Residential Lot Lease in the Residential Lot as a result of circumstances described herein.

(q) "University" means the University of California Santa Barbara.

Section 1.02. Exhibits. All of the Exhibits to this Residential Lot Lease are incorporated by reference in this Residential Lot Lease and shall, together with this Residential Lot Lease, be deemed one and the same instrument.

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ARTICLE II - TRANSFER OF LEASEHOLD
INTEREST AND BASIC TERMS OF RESIDENTIAL LOT LEASE

Section 2.01. Transfer of Leasehold Interest in Residential Lot. In consideration of the faithful performance by Owner of this Residential Lot Lease, including compliance by Owner with the Declaration and Regulations, The Regents leases the Residential Lot to Owner and Owner leases the Residential Lot from The Regents, together with all rights and privileges pertaining to the Residential Lot, subject, however, to the Declaration and any other covenants, conditions, restrictions, limitations, licenses, rights of way and other matters of record.

Section 2.02. Term. This Residential Lot Lease shall commence on the date first above written and shall end December 31, 2046; subject, however, to the provisions of Section 3.04 of this Residential Lot Lease and to earlier termination as provided in this Residential Lot Lease.

Section 2.03. Residential Lot Lease Rental.

(a) In consideration of the leasing of the Residential Lot, Owner shall pay to The Regents rent of \$120.00 per year subject to increases, to be set in the discretion of The Regents, in an amount not to exceed five percent (5%) of the previous year's rent. Any such increase shall take effect and be payable as of January 1st of any year during the Lease Term. Unless otherwise agreed to by The Regents, Owner shall pay rent not less frequently than quarterly and such payment shall, unless The Regents determines otherwise, be deducted from Owner's salary by The Regents. Payments for partial years and partial months shall be prorated.

(b) All payments enumerated in this Section 2.03 shall be made without offset of any kind.

Section 2.04. State of Title.

(a) The Regents represents and warrants that The Regents' title to the Residential Lot is now free and clear of any lien, charge, encumbrance, or claim except as may be referred to and described in Exhibit ^{(b)(2)} ~~Second~~ to this Residential Lot Lease, and shall so remain throughout the term of this Residential Lot Lease except as otherwise provided in this Residential Lot Lease.

(b) The Regents covenants to Owner that, at all times during the term of this Residential Lot Lease and so long as Owner is not in default under the terms hereof, Owner shall hold, occupy, and enjoy the Residential Lot without disturbance or hindrance by The Regents or by any other person claiming under or by right of The Regents.

Section 2.05. Uses and Purposes.

(a) Owner shall not use or permit any other person to use the Residential Lot or the Residence in any way that constitutes a nuisance. Owner shall conform to, and cause any person using or occupying the Residence and any person present in the Common Area by license or invitation of Owner, to comply with the CC&Rs, the Regulations and with all other applicable public laws, ordinances, and regulations (including all University regulations). Owner will hold harmless The Regents from any penalty, damages, or charge imposed for any violation of the CC&Rs, the Regulations or of any law, ordinance, or other regulation applicable to the use and occupancy of the Residential Lot, Residence or Common Area occasioned by the negligent or willful act or omission of Owner or by any person present therein or thereon by license or invitation of Owner.

(b) Notwithstanding subsection 2.05(a), above, Owner shall have the right to contest, by appropriate judicial or administrative proceedings, without cost or expense to The Regents, the validity or application of any present or future law, ordinance or regulation which restricts use of the Residential Lot, Residence or Common Area or which requires Owner to repair, maintain, alter, or replace the Residence, provided that Owner shall not have the right to contest the validity or application of the Regulations. Owner shall not be in default under this Residential Lot Lease for failing to commence repairs, maintenance, alterations, or replacements until a reasonable time following the final judgment and conclusion of appeals in any such administrative or judicial proceedings, provided that Owner shall protect The Regents, the Residence and the Residential Lot from any lien by adequate surety bond or other appropriate security. Owner's right to contest shall be exercised in such a manner as to avoid any exposure of the Residential Lot or Residence to foreclosure or execution sale.

(c) Owner shall not, without the express prior approval of The Regents, the Association or the ARB, requested and rendered in accordance with the requirements of the CC&Rs, permit the demolition or removal of any improvement or fixture located on the Residential Lot.

Section 2.06. Taxes and Assessments.

(a) Owner may become subject to the payment of property taxes as well as other taxes and assessments imposed by governmental entities against the Residential Lot. In such event, Owner shall have sole responsibility for, and shall pay when due all such taxes and assessments. Any such tax or assessment may be paid in installments when so allowed by the taxing or assessing governmental entity.

(b) Owner will hold harmless The Regents from the payment of any tax or assessment required to be paid pursuant to subsection 2.06(a), above. Subject to the provisions of subsection 2.06(c), below, Owner will prevent any such tax or assessment from becoming a delinquency lien upon the Residential Lot or Residence. If the payment of any such tax or assessment shall be more than ninety (90) days delinquent, The Regents shall have the right, but not the obligation, to pay such tax or assessment. If The Regents makes any such payment, the amount of the payment shall be immediately due and payable to The Regents by Owner and shall bear interest pending payment by Owner at the Residential Lot Lease Interest Rate. - Rate is not defined. Could define it as "the legal rate."

(c) Owner shall pay when due each and every fee, charge, or assessment duly levied against the Residence by the Association pursuant to Article V of the CC&Rs.

(d) Owner shall have the right, at his or her own cost, to refuse to pay and to contest the amount or validity of any tax or assessment by an appropriate proceeding diligently conducted in good faith. However, Owner's right to contest shall be exercised in such a manner as to avoid any exposure of the Residential Lot or Residence to foreclosure or execution sale. Pending final judgment in and appeal from any such proceeding, The Regents shall not have the right to pay, remove, or discharge any tax or assessment so contested, provided that Owner shall protect The Regents, the Residential Lot and the Residence from any lien by adequate surety bond or other security.

(e) Owner's obligation to pay taxes and assessments levied and assessed against the Residential Lot shall exclude, without limitation, the following taxes and charges, however denominated: business, income, or profits taxes levied or assessed against The Regents or the Association by a federal, state or other governmental entity; or succession or transfer taxes of The Regents or the Association.

Section 2.07. Insurance.

(a) Except as provided in Article VI, sections 3 and 10 of the CC&Rs, Owner shall not separately insure the Residence against loss by fire or other casualty covered by any insurance carried by The Association.

(b) If, for any reason, the Association shall fail to maintain the policy of insurance described in Article VI, section 2 of the CC&Rs, Owner shall, at Owner's sole cost and expense, keep all of Owner's improvements on the Residential Lot insured at all times throughout the term of this Residential Lot Lease (including any period of time during which any building is in the process of construction, remodeling or demolition), against loss or damage by fire or such other hazards as are encompassed within the standard extended coverage endorsement

approved for use in the State of California in an amount not less than the full insurable value of the improvements, in accordance with Article VI, section 10 of the CC&Rs.

(c) All insurance provided for in this Section 2.07 shall be effected under valid and enforceable policies issued by insurers licensed to do so in the State of California and shall name The Regents as an additional insured.

Section 2.08. Ownership of Improvements. The Residence and all other improvements made or constructed on the Residential Lot following the effective date of this Residential Lot Lease shall be the property of Owner or of Successor Owners during the term of this Residential Lot Lease. Upon expiration of this Residential Lot Lease pursuant to Section 2.02, the Residence and all other improvements located on the Residential Lot shall become the property of The Regents, subject to the provisions of Section 6.06 of this Residential Lot Lease.

Section 2.09. Condition of Residential Lot. Owner hereby accepts the Residential Lot "as is" and acknowledges that the Residential Lot is in satisfactory condition. The Regents shall not be responsible for any land subsidence, slippage, soil instability, or damage resulting from such conditions.

Section 2.10. Nonliability of The Regents. This Residential Lot Lease is made on the express condition that The Regents shall be free from all liability or loss by reason of injury or death to any person, or damage to or loss of property from whatever cause, whether on the Residential Lot, or in any way connected with the Residential Lot or with the improvements or personal property on the Residential Lot, including any liability for injury or death to the person or damage to or loss of property of Owner, his or her agents, servants, or employees except to the extent that said injury or damage is caused by the willful or negligent act or omission of The Regents. Accordingly, in addition to the assurances set forth in Sections 2.05, 2.06, 2.11 and 4.05 of this Residential Lot Lease, Owner agrees to hold harmless The Regents, its officers, employees, and agents from any and all liability, loss, cost, or obligation on account of, or arising out of, any such injury or loss. Owner assumes all risks of injury or death of any person or damage to or loss of any property of Owner and any property under the control or custody of Owner while upon the Residential Lot.

Section 2.11. Liens and Encumbrances. Subject to Sections 2.06 and 5.02 of this Residential Lot Lease, Owner will keep the Residential Lot free and clear of any liens or encumbrances created by Owner's acts or omissions or created by the performance of any labor for or the furnishing of any material, supplies, or equipment to Owner. Owner will hold

harmless The Regents from any such liens, claims, or demands, and from any related costs, damages, or liability.

Section 2.12. Destruction and Restoration. If, during the term of this Residential Lot Lease, the Residence is wholly or partially destroyed by a risk covered by insurance carried by Owner pursuant to Section 2.07(b), unless reconstructed by the Association pursuant to Article XII, section 4, Owner shall promptly restore the Residence to substantially the original specifications, except as to variations required by law or as approved pursuant to Section 3.01, as it was immediately prior to such destruction, and such destruction shall not terminate this Residential Lot Lease.

ARTICLE III - IMPROVEMENTS ON PROPERTY AND ASSIGNMENT/SUBLEASE OF INTERESTS UNDER RESIDENTIAL LOT LEASE

Section 3.01. Plans and Specifications.

(a) Before any construction or renovation on the Residential Lot by Owner (i) affecting the outward appearance of the Residential Lot or the Residence or (ii) affecting the structural or operational integrity of the Residence, Owner shall submit to the ARB plans and specifications for such construction or renovation. Such plans and specifications shall be in such detail and prepared in such manner as prescribed in the Regulations and as may reasonably be required to permit the ARB to make an informed judgment as to the overall design and manner of construction of the proposed construction or renovation. No such construction or renovation shall be undertaken by Owner without the ARB's written approval of the plans and specifications.

(b) Approval by the ARB of plans and specifications as required by this Section 3.01 shall not make the ARB, the Association or The Regents responsible or liable to Owner or to third persons for the design, construction, or quality of any improvement or renovation with respect to which its approval is given.

(c) The Regents acknowledges that it is common practice in the construction industry to make changes in designs contained in plans and specifications during the course of construction. Accordingly, The Regents agrees that changes that do not substantially alter plans and specifications previously approved by the ARB do not have to be submitted for separate approval.

Section 3.02. Demolition of Improvements. During the term of this Residential Lot Lease, Owner shall not demolish any structure on the Residential Lot without the express, written consent of The Regents. Such consent shall be entirely within The Regents' discretion to grant or to withhold. Any consent by

Good language. Put this in ARB
Change to "affecting structure of the Residence"

The Regents to such a request may be conditioned upon a requirement that Owner immediately commence and diligently complete construction of a replacement structure, which construction shall be undertaken in compliance with Section 3.01 of this Residential Lot Lease and shall be otherwise consistent with the terms of this Residential Lot Lease.

Section 3.03. Utility Services. Owner agrees to pay standard charges for each connection of Owner's housing unit to utility lines (other than those utility lines to which the housing unit is connected at the time of Owner's purchase) and for all utility services used by Owner.

Section 3.04. Assignments.

(a) Owner may, subject to subsection (b) of this Section 3.04 and to Sections 3.05, 3.06, 3.07, and 3.08 of this Residential Lot Lease, sell and convey his or her Residence and assign his or her interest under this Residential Lot Lease in the Residential Lot solely pursuant to the procedures and priorities set forth in Article XII of the CC&Rs. Upon such a sale, the Successor Owner purchasing the Residence may request that (i) this Residential Lot Lease be terminated and (ii) a new lease from The Regents be granted on the same general terms as this Residential Lot Lease, except that the term of such new lease shall not exceed sixty (60) years. Each subsequent qualifying purchaser under Article XII of the CC&Rs shall have a similar right to request that this Residential Lot Lease or the then applicable lease be terminated and that The Regents enter into a new lease embodying substantially the same terms and conditions as this Lease for a term not to exceed sixty (60) years. The Regents will consider such requests in good faith and act favorably thereon if the proposed sale is to an Approved Purchaser (as defined in Article XII of the CC&Rs) or if, in The Regents' judgment, the goals of the Housing Program will be furthered thereby.

(b) An assignment by Owner described in subsection (a) of this Section 3.04 will be effective only if, at the time of such assignment, Owner shall (i) pay any and all assessments due and owing which may have been imposed pursuant to the powers reserved to the Association or, if any such assessment has been imposed but is not yet due and owing, pay the prorated portion that is attributable to the portion of the year during which Owner held an interest in the Residential Lot; and (ii) repay to The Regents (with interest, if any) the full amount owing and payable as a result of any cash assistance, equity, second mortgage, or other loans made by The Regents to Owner in connection with Owner's occupancy of the Residence.

Section 3.05. University's Option to Terminate Lease and to Purchase Residence. Except as provided for herein in Section 5.02 of this Residential Lot Lease with respect to the

rights of lenders, if an ownership interest of greater than fifty percent (50%) in the Residence shall pass, whether by conveyance, will, operation of law, or otherwise, to any person who is not a "Qualified Person" or a "Conditionally Qualified Person" as those terms are defined in Article XI of the CC&Rs, or if Owner shall, at any time, cease to be a Qualified Person or Conditionally Qualified Person, the University may, at any time thereafter, terminate this Residential Lot Lease and purchase the Residence forty-five (45) days after notice to Owner of its intention to do so. Any event described in the preceding sentence shall also constitute an irrevocable offer to the University to sell the Residence to the University or its designee, at the price and on the terms set forth in Article XII, Sections 2 and 3 of the CC&Rs. Notwithstanding the foregoing, however, this Section 3.05 shall not apply to a purchaser or transferee (or the heirs, legatees or assigns of such a purchaser or transferee) who acquires rights under this Residential Lot Lease and ownership of the Residence from a Lender under a deed of trust described in Section 5.02 of this Residential Lot Lease, if such Lender has made the offers required under Section 5.02(f) (i) and (ii).

Section 3.06. Use of Residential Lot for Residential Purposes.

(a) Except as provided in subsections (b), (c), and (f) of this Section 3.06, Owner shall reside on the Residential Lot, and the Residence shall be used only as the principal place of residence of Owner and for no other purpose.

(b) If Owner, with the consent of The Regents and the Association, in accordance with the requirements of the CC&Rs and this Residential Lot Lease, demolishes the Residence, the requirement of subsection (a) of this Section 3.06 shall not be applicable until such time as a new housing unit is constructed on the Residential Lot, provided that construction of such housing unit shall begin within six (6) months of the date on which demolition of the prior housing unit commenced.

(c) Subject to rules applicable to the Project generally which may be promulgated by the Association, Owner may rent a Residence solely in compliance with Article XII, section 7 of the CC&Rs.

(d) The Regents may require Owner to provide such information as may be reasonably necessary to determine compliance with the provisions of this Section 3.06.

(e) If The Regents determines that Owner is in violation of the requirements of this Section 3.06, and if Owner shall fail, within thirty (30) days of receipt of written notice of such determination to comply herewith, such failure shall constitute an irrevocable offer by Owner to terminate the Residential Lot Lease and to sell the Residence thereon to The Regents at the price and on the same terms and conditions as

specified in subsection (a) of Section 3.05 of this Residential Lot Lease.

(f) Nothing contained in this Section 3.06 shall prohibit a Lender from holding an interest in the Residential Lot following a foreclosure or a transfer by a deed-in-lieu of foreclosure of the Residence.

Section 3.07. Resale Price Limitations. To assure that the Residences constructed on the Property will remain affordable by University-Associated Persons, the parties agree to impose a resale price limitation on the assignment of rights under this Residential Lot Lease and the sale of the Residence. To accomplish this purpose, this Residential Lot Lease may not be assigned nor may the Residence be sold by Owner at a price for such assignment and sale that is greater than the purchase price determined under Article XII, section 2 of the CC&Rs, except as provided in Article XII, section 1(e) of the CC&Rs and in subsections (f) and (h) of Section 5.02 of this Residential Lot Lease.

Section 3.08. Notices of Transfer and Sales Price. No later than thirty (30) days prior to the closing of any transaction as described in Section 3.04 of this Residential Lot Lease, Owner shall notify the Association and The Regents of the proposed transaction. The notice shall (a) identify the Successor Owner and describe his or her relationship to the University, and (b) set forth the proposed sales price. Such notice shall be accompanied by adequate documentation describing the transaction (in such form as may be prescribed by The Regents) and shall be signed by Owner and Successor Owner. The price as submitted and documented shall be the purchase price used in calculating the appreciation derived by the Successor Owner upon subsequent resale/reassignment. The Regents may from time to time specify other information which must be included in such notice.

Section 3.09. Effect of Assignment to a Successor Owner.

(a) The transfer of the possession of the Residential Lot under Section 3.04 of this Residential Lot Lease shall be a full and complete assignment. Following the effective date of the assignment, Owner shall have no further interest in the Residential Lot by virtue of this Residential Lot Lease.

(b) Following each assignment under Section 3.04, the Successor Owner shall assume all of the obligations and responsibilities imposed on Owner under this Residential Lot Lease, and all references in this Residential Lot Lease to Owner shall be deemed to refer to such Successor Owner.

Section 3.10. Limitation of Rights of Assignment or Subletting. Except as provided in Section 5.02 of this

Residential Lot Lease or as may be expressly approved by The Regents, Owner shall not grant, assign, sublease, exchange, or otherwise transfer any rights under this Residential Lot Lease other than in conformity with the provisions of this Article III, nor attempt to sell, grant, transfer, lease or otherwise convey any interest in the Residence other than in conformity with Article XII of the CC&Rs. Any such attempted sale, grant, assignment, lease, sublease, exchange, or other transfer shall constitute a breach of this Residential Lot Lease, and shall be void and of no force or effect.

ARTICLE IV - OTHER RIGHTS AND OBLIGATIONS
OF THE REGENTS AND THE OWNER

Section 4.01. Entry by The Regents. Except as described below, no representative of The Regents or Association may enter any improvement of Owner on the Residential Lot without Owner's prior consent, except in case of an emergency that appears to threaten injury to any person or destruction of any improvements. Representatives of The Regents or the Association shall have the right to inspect improvements under construction and, upon their completion, to ascertain that such improvements comply with the plans and specifications approved by the ARB, as provided in Section 3.01 of this Residential Lot Lease.

Section 4.02. Reservation of Oil, Gas and Mineral Rights. The Regents reserve the sole and exclusive right to prospect for, drill for, produce, and take any oil, gas, or other hydrocarbon or mineral substances and accompanying fluids, including all geothermal resources, from the Property from below the depth of five hundred (500) feet from the surface of the Residential Lot, including the rights to slant drill, maintain subsurface pressures, and utilize subsurface storage space for natural substances. This reservation does not include the right of entry from surface access, except on Common Area. Owner shall not, however, be disturbed in his or her quiet enjoyment and peaceful use of the Residential Lot by any drilling or production activities.

Section 4.03. Easements.

(a) The Regents reserve an easement across the Residential Lot which may be assigned to the Association for maintenance and upkeep purposes. The Regents also reserve the right to grant easements across the Residential Lot to utility companies and public agencies for the purpose of installing, operating, or maintaining lines or conduits for electricity, cable television, telephones, sewers, water, gas sprinkling systems, and similar public or quasi-public facilities. No such easement shall unreasonably interfere with the use, occupancy, or enjoyment of the Residential Lot by Owner.

(b) The Regents reserve an exclusive easement which they assign to the Association for the repair and maintenance of all exterior walls and surfaces and all roof areas of the Residence, and Owner shall make no repairs or alterations to such walls, surfaces, or roof areas, and shall not paint or perform other maintenance work on them without the Association's express approval.

(c) If any portion of the Common Area encroaches on the Residential Lot or if any portion of the Residential Lot encroaches on Common Area, a valid easement shall be deemed to exist for such encroachment and for the maintenance of such encroachment.

(d) Both the Association and lessees of leasehold parcels contiguous to the Residential Lot have reciprocal easements with Owner for the purpose of accommodating any encroachment occasioned by the natural settlement of any improvement.

(e) Owner shall not enter into any contract or agreement with any entity with respect to any easement without the prior consent of The Regents.

Section 4.04. Estoppel Certificates. At The Regents' request, Owner will execute, acknowledge and deliver a certificate certifying (i) that this Residential Lot Lease is unmodified and in full force and effect (or, if there has been any modification, that this Residential Lot Lease is in full force and effect as modified and stating the modification); (ii) the date to which the rent has been paid; (iii) that there are no existing offsets or defenses against the enforcement of any term of this Residential Lot Lease on the part of Owner (or, if so, specifying the same); and (iv) that no notice has been given to Owner of any default which has not been cured.

Section 4.05. Brokerage Commissions. Each party will hold the other harmless from and against any real estate brokerage commission or other such obligation incurred by the party using such brokerage services as the result of the negotiation or execution of this Residential Lot Lease or any assignment of this Residential Lot Lease.

Section 4.06. Compliance with the Regulations. Owner shall comply with the requirements respecting maintenance and use of the Property set forth in the Regulations, and failure to comply shall constitute a breach of this Residential Lot Lease and give rise to a cause of action by The Regents for the recovery of damages or for injunctive relief, or both.

ARTICLE V - NONSUBORDINATION AND PERMITTED
ENCUMBRANCES BY THE OWNER

Section 5.01. Nonsubordination of Residential Lot Lease.

This Residential Lot Lease shall be a prior lien against the Residential Lot in respect to any loan, mortgage, deed of trust, other lease, lien, or encumbrance that may hereafter be placed on the Residential Lot. Owner agrees, without any cost to The Regents, to execute any instrument which is necessary or is reasonably requested by The Regents to further effect the nonsubordination of the Residential Lot Lease.

Section 5.02. Permitted Encumbrances by Owner.

(a) Owner shall have the right, without obtaining the consent of The Regents, to assign all or part of Owner's interest under this Residential Lot Lease as security to any Lender pursuant to a deed of trust or other security instrument. In such event, The Regents will execute all necessary papers reasonably required by such Lender, provided that The Regents shall not be required to sign any note or deed of trust or otherwise become obligated to any Lender, and provided further, that no such encumbrance shall constitute a lien upon The Regents' ownership interest in the Residential Lot.

(b) Concurrently with the execution of any deed of trust described in Section 5.02(a), above, Owner shall furnish to The Regents the name and address of the holder of the deed of trust. The Regents shall thereafter mail to such Lender a duplicate copy of any notices which The Regents may give to Owner.

(c) Upon the recording of any deed of trust described in Section 5.02(a), above, Owner shall, at Owner's expense, record in the office of the Santa Barbara County Recorder a written request, executed and acknowledged by The Regents, for a copy of all notices of default and all notices of sale under such deed of trust as provided by the laws of California. Inclusion in the recorded deed of trust of a requirement for notices to be sent to The Regents shall constitute compliance with this provision.

(d) No deed of trust or other document may be recorded by Owner or any Lender with respect to the Residential Lot prior to the recordation of the Residential Lot Lease or a memorandum describing the Residential Lot Lease.

(e) Except as provided in Section 6.08 of this Residential Lot Lease, there shall be no modification, mutual termination, or surrender of this Residential Lot Lease by The Regents and Owner without the prior written consent of each Lender that is a beneficiary of a deed of trust described in

Section 5.02(a) above, and whose interest could be affected by such action.

(f) Any holder of, or beneficiary under, a deed of trust described in Section 5.02(a), above, that acquires an interest under this Residential Lot Lease by foreclosure or deed-in-lieu of foreclosure may assign or transfer the same (or any interest under any new lease obtained pursuant to Section 3.04(a), above) only after the expiration of thirty (30) days from the date such holder or beneficiary notifies The Regents of its intent to so assign or transfer and, thereafter, only in accordance with Article XII, Section 4 of the CC&Rs. A holder or beneficiary shall be considered to have fulfilled the notice requirements of this subsection (f) above, by notification of The Regents (with a copy to the Chancellor of the University of California, Santa Barbara) of an intent to assign and sell under such clause together with the proposed terms of such assignment and sale. Any assignment or transfer by any such holder or beneficiary that does not comply with the requirements of this subsection (f) and subsection (g) of this Section 5.02 shall be void and of no force or effect.

(g) The provisions of Section 3.04 of this Residential Lot Lease shall apply to the offering process described in subsection (f) of this Section 5.02 to the same extent as if subsection (f) were specifically mentioned in those subsections.

(h) Regardless of any other provision of this Residential Lot Lease, the maximum resale price of the Residence if acquired by a Lender as described in Section 5.02(f), above, shall be the greater of (i) the Maximum Resale Price for the Residence as established pursuant to Section 3.07 of this Residential Lot Lease or (ii) an amount equal to the full amount then owing on the mortgage loan that was foreclosed or with respect to which a deed-in-lieu of foreclosure was accepted, including interest accrued and unpaid thereon through the date of transfer, interest that would have been paid on the mortgage except for the transfer up to the date of sale, real property taxes that have been paid by the Lender or have accrued on the Residential Lot and Residence, the reasonable fees of the attorneys for the Lender, statutory costs and allowances permitted in connection with the foreclosure or other proceeding. In addition, the purchase price may include the reasonable expenses of repair or rehabilitation of the Residence, if necessary; the reasonable indirect cost of administration of the Lender with respect to foreclosure and resale of the Residence; and holding costs reasonably incurred by the Lender as a result of the foreclosure or the acceptance of a deed-in-lieu of foreclosure.

(i) The Lender and any Successor Owner shall be required to perform Owner's obligations under this Residential

Lot Lease for as long as such assignee of transferee holds a leasehold interest in the Residential Lot.

(j) The written consent of The Regents shall not be required to any assignment or other transfer of Owner's interest in this Residential Lot Lease at a foreclosure sale under any deed of trust described in subsection (a) of this Section 5.02, a judicial foreclosure under such deed of trust, or an assignment to the Lender under such deed of trust in lieu of foreclosure.

(k) The notification provisions of Section 3.08 of this Residential Lot Lease shall apply to any assignment and sale transaction under this Section 5.02, except insofar as such application may be impractical in the case of a foreclosure sale under any deed of trust described in Section 5.02(a) above, a judicial foreclosure under such deed of trust, or an assignment to the Lender under such deed of trust in lieu of foreclosure.

ARTICLE VI - DEFAULT, TERMINATION AND CONDEMNATION

Section 6.01. Default by Owner.

(a) Subject to the provisions of Section 6.01(b), below, if Owner shall fail to remedy any default in the payment of rental due under this Residential Lot Lease for thirty (30) days after notice of such default, or fail to remedy any default with respect to any of the other provisions, covenants, or conditions of this Residential Lot Lease to be kept or performed by Owner within sixty (60) days after notice of such default, or such additional time as is reasonably required to cure such default, The Regents shall have the right to terminate this Residential Lot Lease and Owner's right to possession of the Residential Lot and Residence by giving notice of such termination to Owner and any Lender under a deed of trust described in Section 5.02 of this Residential Lot Lease.

(b) The Regents shall not take any action to terminate this Residential Lot Lease because of any default or breach on the part of Owner if any Lender under a deed of trust described in Section 5.02 of this Residential Lot Lease:

(i) within forty-five (45) days after the giving of notice to the Lender by The Regents' intention to terminate this Residential Lot Lease for such default or breach, shall cure such default or breach if the same can be cured by the payment or expenditure of money; or

(ii) shall diligently take action to obtain possession of the Residential Lot and Residence (including possession by receiver) and to cure such default or breach in the case of a default or breach which cannot be cured unless and until the Lender has obtained possession; or

(iii) if such default or breach is not curable as provided under clauses (i) or (ii) of this subsection, shall institute and complete judicial or nonjudicial foreclosure proceedings or otherwise acquire Owner's interest with due diligence, and keep and perform all of the covenants and conditions of this Residential Lot Lease requiring the payment or expenditure of money by Owner until such time as Owner's interest shall be sold upon foreclosure pursuant to the deed of trust or shall be released or reconveyed thereunder, provided that a Lender shall not be required to continue such action for possession or such foreclosure proceedings if such default or breach shall be cured by Owner, and provided further that, if such Lender shall fail or refuse to comply with the conditions of this subsection, The Regents shall be released from the covenant or forbearance set forth in this subsection.

Section 6.02. Remedies of The Regents.

(a) If The Regents terminates this Residential Lot Lease in accordance with the provisions of Section 6.01, The Regents may recover from Owner:

(i) Unpaid rent earned at the time of termination, which termination shall be treated as if an assignment of the Residential Lot and a sale of the Residence had occurred;

(ii) All other amounts then owed to The Regents;
and

(iii) Any other amount necessary to compensate The Regents for all detriment proximately caused by Owner's default under this Residential Lot Lease.

(b) Efforts by The Regents to mitigate any damages caused by Owner's breach of this Residential Lot Lease shall not be treated as a waiver of The Regents' right to recover damages under this Section 6.02. Nothing in this Section 6.02 shall affect the right of The Regents to be held harmless for any liability arising prior to the termination of this Residential Lot Lease for death, personal injury, or property damage as provided in this Residential Lot Lease. No legal action shall be commenced under this Section 6.02 more than four (4) years after notice to The Regents of any breach of the Residential Lot Lease by Owner, or more than four (4) years after the termination of Owner's right to possession of the Residential Lot, whichever is earlier.

(d) Rent not paid when due shall bear interest at the Residential Lot Lease Interest Rate from the due date until received by The Regents.

Section 6.03. Effects of Waiver by The Regents. No waiver by The Regents at any time of any provision of this Residential Lot Lease shall be deemed a waiver at any subsequent time of the same or any other provision of this Residential Lot Lease, nor of the strict and prompt performance required by this Residential Lot Lease of Owner. No option, right, power, remedy, or privilege of The Regents shall be construed as being exhausted or discharged by its exercise in one or more instances. Each of the rights, powers, options, or remedies given The Regents by this Residential Lot Lease are cumulative and no one of them is exclusive of the other or exclusive of any remedies provided by law, and the exercise of one right, power, option, or remedy by The Regents shall not impair the right to use any other.

Section 6.04. Attorneys' Fees. In the event that either The Regents or Owner brings suit against the other to enforce rights under this Residential Lot Lease, each party shall bear the expense of their own attorneys' fees.

Section 6.05. Surrender of Residential Lot and Residence. Upon the expiration of the term of this Residential Lot Lease (including any extension thereof) or upon an earlier termination of this Residential Lot Lease, Owner shall quit and surrender the Residential Lot and the Residence to The Regents without further obligation on the part of either party to this Residential Lot Lease, free and clear of all liens and encumbrances other than easements created by or with the approval of The Regents. At the end of the term of this Residential Lot Lease or upon its earlier termination, the title to and ownership of the Residence shall automatically vest with The Regents without the execution of any further instrument.

Section 6.06. Owner's Right to Remove Personal Property. Upon expiration of the term of this Residential Lot Lease or its earlier termination, Owner shall have the right to remove any and all of Owner's personal property from the Residential Lot and Residence, provided that Owner shall be responsible for any resultant damage to the Residential Lot and Residence. Any personal property which is not removed within sixty (60) days of the expiration date of this Residential Lot Lease or its earlier termination, shall become the property of The Regents.

Section 6.07. Failure of Owner to Perform Required Acts. Subject to Section 2.05(b) above, if at any time during the term of this Residential Lot Lease, Owner fails or refuses to perform any action required of Owner, ~~The Regents shall have the right but not the obligations to perform the same, but at the cost of and for the account of Owner, provided that The Regents shall in no case take such action sooner than thirty (30) days after giving Owner written notice of such failure or refusal and allowing Owner such period within which to commence a bona fide effort to cure the same. The amount of any money expended by The Regents pursuant to this Section 6.07, together with interest at~~

Revisit later
"under this residential lot lease"

the Residential Lot Lease Interest Rate, shall be repaid to The Regents by Owner upon demand. Nothing contained in this Section 6.07 shall diminish the rights of The Regents with regard to defaults under Section 6.01 or with regard to remedies under Section 6.02 of this Residential Lot Lease.

Section 6.08. Condemnation.

(a) If, during the term of this Residential Lot Lease, the entire Residential Lot shall be taken as a result of the exercise of the right of eminent domain, or if less than the entire Residential Lot shall be taken but Owner shall determine that the Residence cannot at a reasonable expense be repaired, restored, or replaced to a condition suitable for residential purposes, Owner may terminate this Residential Lot Lease as of the date of such taking, and the rights of The Regents and Owner in and to the award upon any such taking shall be determined in accordance with Section 6.08(d), below.

(b) If less than the entire Residential Lot shall be taken as a result of the exercise of the right of eminent domain and Owner determines that the Residence can be repaired, restored, or replaced to a condition suitable for residential purposes, this Residential Lot Lease shall not terminate but shall continue in full force and effect for the remainder of its term. The rights of The Regents and Owner in and to the award upon any such taking shall be determined in accordance with Section 6.08(d), below. Owner shall, with due diligence and in compliance with Section 3.01, above, restore, repair, and replace that portion of the Residence not so taken to a condition suitable for residential purposes, having due regard for the design, construction, and character of the improvements existing before such taking.

(c) If all or any portion of the Residential Lot or Residence shall be taken by the exercise of the right of eminent domain for governmental occupancy for a limited period of time, this Residential Lot Lease shall not terminate, and Owner shall continue to perform and observe all obligations hereunder as though such taking had not occurred except to the extent that Owner may be prevented from so doing by reason of such taking. Owner shall in no event be excused from the payment of rent and all other sums and charges required to be paid under this Residential Lot Lease.

(d) If all or a portion of the Residential Lot shall be taken by exercise of the right of eminent domain, the total award in any such proceeding or for any such injury or reduction in value shall be determined as follows:

(i) In the event of any taking that results in the termination of this Residential Lot Lease in accordance with the provisions of this Section 6.08, then The Regents and,

subject to the rights of any Lender, Owner shall be entitled to prosecute claims in such condemnation proceedings for the value of their respective interests in the Residential Lot and Residence.

(ii) In the event of any taking of a portion of the Residential Lot or Residence that does not result in the termination of this Residential Lot Lease in accordance with the provisions of this Section 6.08, then The Regents and, subject to the rights of any Lender, Owner shall be entitled to prosecute claims in such condemnation proceedings for the value of their respective interests affected by such taking.

(e) As used in this Section 6.08, the phrase "taken as a result of the exercise of the right of eminent domain" shall mean a taking or damaging by eminent domain, or by inverse condemnation, or by deed or transfer in lieu thereof, for any public or quasi-public use under any statute or law. The taking shall, at the election of Owner, be considered to take place as of the earlier of (i) the date actual physical possession is taken by the condemnor; or (ii) the date on which the right to compensation and damages accrues under the applicable law; or (iii) the date on which title vests in the condemnor.

(f) If any Lender acquires an interest under this Residential Lot Lease by foreclosure or deed-in-lieu of foreclosure, then such Lender shall be entitled to the same rights and subject to the same requirements and restrictions as are applicable to Owner in this Section 6.08.

ARTICLE VII - MISCELLANEOUS PROVISIONS

Section 7.01. Force Majeure. If either party shall be delayed or prevented from the performance of any act required by this Residential Lot Lease by reason of acts of God, strikes, lockouts, labor troubles, inability to secure materials, or other cause, without fault and beyond the reasonable control of the party obligated (financial inability excepted), performance of such act shall be excused for the period of the delay; and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay, provided that nothing in this Section 7.01 shall excuse Owner from the prompt payment of any rental or other charge required of Owner. The party delayed or prevented from the performance of any act shall notify the other of such delay or prevention within ten (10) days of its inception, and shall thereafter keep such party regularly informed of the status of such delay or prevention.

Section 7.02. Time of the Essence. The parties agree that time is of the essence of this Residential Lot Lease and, accordingly, that the time limits stated in this Residential Lot Lease shall be strictly observed.

Section 7.03. Binding Effect. The provisions of this Residential Lot Lease shall bind the heirs, executors, administrators, successors, and assigns of the original parties to this Residential Lot Lease, provided that this Section 7.03 shall not be deemed to authorize or permit the assignment of any interest in this Residential Lot Lease other than in strict compliance with its provisions.

Section 7.04. Notices.

(a) All notices required to be given under this Residential Lot Lease shall be in writing and shall be deemed to have been given when hand delivered to the addressee or deposited in the United States mail properly addressed to the addressee with postage prepaid in certified or registered form, return receipt requested.

(b) All notices to The Regents shall be delivered or mailed to The Regents of the University of California, Office of the Treasurer, 615 University Hall, 2200 University Avenue, Berkeley, California 94720, with a copy to the Chancellor, University of California, Santa Barbara, California 93106; or to such other address as The Regents may from time to time direct.

(d) All notices to Owner shall be delivered or mailed to the Residence or to such other address as Owner shall designate from time to time to The Regents.

(e) If The Regents has been notified of the interest of a Lender pursuant to Section 5.02(b) of this Residential Lot Lease, then any notice sent to The Regents or Owner shall be effective and deemed given only if a copy of such notice is simultaneously hand delivered or sent to such Lender by registered or certified mail, return receipt requested, at an address previously provided by Owner or such Lender.

Section 7.05. Memorandum of Residential Lot Lease. Concurrently with the execution of this Residential Lot Lease, the parties shall execute and acknowledge a memorandum of this Residential Lot Lease for the purpose of recording that document in the office of the Santa Barbara County Recorder. Such memorandum shall contain a description of the Residential Lot, the names of The Regents and Owner, and the term of this Residential Lot Lease.

Section 7.06. Nonmerger of Fee and Leasehold Estates. If under any circumstances both The Regents' fee interest in the Residential Lot and any subordinate leasehold interest in the Residential Lot become vested in the same owner, the Residential Lot Lease shall not be extinguished by application of the doctrine of merger except at the express election of such owner.

Section 7.07. Captions, Gender and Number.

(a) The captions used in this Residential Lot Lease are for convenience only and are not a part of this Residential Lot Lease and do not in any way limit or amplify its terms or provisions.

(b) As used in this Residential Lot Lease, the use of one gender shall include the other and the use of the singular shall include the plural, and vice versa, as the context may require. If Owner consists of more than one person, the covenants, obligations, and liabilities of Owner shall be the joint and several covenants, obligations, and liabilities of such persons.

Section 7.08. Governing Law and Construction. This Residential Lot Lease shall be construed and interpreted in accordance with and governed by the laws of the State of California. The language in all parts of this Residential Lot Lease shall be construed according to its fair meaning and not strictly for or against The Regents or Owner.

Section 7.09. Unenforceability or Invalidity of Provision. If and to the extent that any provision of this Residential Lot Lease should be found invalid, void, or unenforceable by a court of competent jurisdiction, or so rendered by legislative or administrative action, the validity of the remainder of this Residential Lot Lease shall not be affected and shall remain in full force and effect as if this Residential Lot Lease had been executed with the portion held to be invalid, void, or unenforceable eliminated. To accomplish the intentions of the parties as expressed in this Residential Lot Lease, the parties shall, if necessary, conclude a modification to this Residential Lot Lease, on terms that are reasonable and which will accomplish as nearly as possible the original intention of the parties as reflected in the portion held to be invalid, void, or unenforceable.

Section 7.10. Entire Agreement; Amendments. This Residential Lot Lease contains all of the agreements between The Regents and Owner relating in any manner to the subject matter of this Residential Lot Lease. No prior agreement or understanding with respect to the same shall be valid or of any force or effect, and no provision of this Residential Lot Lease shall be altered or added to, except in writing, signed by The Regents and Owner and with the written consent of any Lender. No representation, inducement, or understanding of any nature made, stated, or represented on behalf of either party to this Residential Lot Lease, either orally or in writing, has induced the other party to enter into this Residential Lot Lease, except as set forth herein.

Section 7.11. Assignment and Delegation by The Regents.
Notwithstanding any other provision of this Residential Lot Lease, The Regents reserves the right to assign and delegate its rights and duties under this Residential Lot Lease.

IN WITNESS WHEREOF, the parties hereto have executed this Residential Lot Lease as of the date first above written.

THE REGENTS OF THE UNIVERSITY
OF CALIFORNIA

ATTEST:

BY _____

WITNESS:

OWNER

I 2 . 0

EXHIBIT SECOND to
Residential Lot Lease

DESCRIPTION OF RESIDENTIAL LOT

EXHIBIT SECOND--DESCRIPTION

OF RESIDENTIAL LOT

That certain real property in the County of Santa Barbara, State of California, being a portion of the Rancho Los Dos Pueblos, according to the patent thereof recorded in Book A, Page 323 of Patents, as shown on a Record of Survey of the Devereux School property, filed in Book 83, Page 92 of Records of Survey, records of said County, described as follows:

Lot _____ as shown on the Plat Map attached as Exhibit "A" on that certain Declaration of Covenants, Conditions and Restrictions of West Campus Point Planned Unit Development, recorded December 11, 1986 as Instrument No. 1986-081389, of Official Records of Santa Barbara County, California.

EXHIBIT FOURTH to
Residential Lot Lease

UNIVERSITY OF CALIFORNIA SANTA BARBARA
WEST CAMPUS POINT PROPERTY USE
AND MAINTENANCE REGULATIONS

ARB guidelines p. 3, 4, 5, 11-14
Does not address capital improvements.

Changes 9/04-10/12/04.

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UNIVERSITY OF CALIFORNIA SANTA BARBARA

WEST CAMPUS POINT PROPERTY USE
AND MAINTENANCE REGULATIONS

By purchasing a Residence through the University of California Santa Barbara Housing Program, each Owner has made a substantial investment in, and a commitment to, the development of an academically-oriented community that will remain a pleasant and enjoyable place in which to live. The following Regulations are designed to ensure that West Campus Point remains an aesthetically pleasing and attractive community and that property within the community is not used in any way that would adversely affect the quality of community life for all Owners. Most of these Regulations are administered by an Architectural Review Board, a majority of the members of whom are appointed by the Chancellor of UCSB, although The Regents retains ultimate responsibility for enforcement of the Regulations.

ARTICLE I - DEFINITIONS

As used in these Regulations, all capitalized terms shall, unless otherwise indicated, have the same meanings as set forth in the Residential Lot Lease for your Residential Lot. In addition:

(1) "Architectural Guidelines" means the Architectural Guidelines from time to time issued or amended by the ARB as provided in Section 5.06 of these Regulations;

(2) "Architectural Review Board" or "ARB" means the Architectural Review Committee established pursuant to Article IX, Section 2 of the Declaration;

(3) "Association" means West Campus Point Homeowners Association, a California mutual benefit corporation, its successors and assigns;

(4) "Building Code" means the latest edition of the Uniform Building Code as used by the County of Santa Barbara, with such modifications, exclusions, or supplements/replacements as the ARB may, from time to time, permit or require;

(5) "Common Area" means that portion of the Property leased pursuant to the Common Area Lease by The Regents to the Association for the common use and enjoyment of the Owners. The Common Area (as of the date of lease of the first Residential Lot) consists of those areas described as lot 66, on the

description attached as Exhibit A to the Declaration, which is incorporated herein by reference;

(6) "Declaration" means the Declaration of Covenants, Conditions and Restrictions of West Campus Point Planned Unit Development (the "CC&Rs"), recorded December 11, 1986, as Instrument No. 1986081389 in the Office of the Recorder of Santa Barbara County, California;

(7) "Owner" means the lessee, whether one or more persons or entities, of a Residential Lot pursuant to a Residential Lot Lease, who owns the Residence, if any, erected on such Residential Lot;

(8) "Property" means the parcel of land, including all Residential Lots, described in Exhibit A of the Declaration;

(9) "Regents" means The Regents of the University of California;

(10) "Residence" means a residential structure or structures, including patio areas, enclosed yards, and garages located on a Residential Lot;

(11) "Residential Lot" or "Residential Lots" means any of lots 1 through 65 within the Property which are or will be improved with an attached or detached single family dwelling;

(12) "Residential Lot Lease" means any lease between The Regents as lessor and an Owner or Owners for a Residential Lot;

(13) "Rules and Regulations" or "Regulations" means these Property Use and Maintenance Regulations;

(14) "Statement of Compliance" means any Statement of Compliance issued by the ARB pursuant to the provisions of Section 2.06 of these Regulations;

(15) "Structure" means:

(i) Any thing or object the placement of which upon any Residential Lot may affect the appearance of such Residential Lot, including by way of illustration and not limitation, any building or part thereof, garage, porch, shed, greenhouse or bathhouse, coop or cage, covered or uncovered patio, swimming pool, fence, curbing, paving, wall, sign, signboard, temporary or permanent living quarters (including any house trailer), or any other temporary or permanent improvement to such Residential Lot; and

(ii) Any excavation, grading, fill, ditch, diversion dam, or other thing or device which affects or alters the natural

flow of surface waters from, upon, or across any Residential Lot, or which affects or alters the flow of any waters in any natural or artificial creek, stream, wash, or drainage channel from, upon, or across any Residential Lot;

(16) "UCSB" means the University of California Santa Barbara.

(14) "University" means the University of California.

ARTICLE II - RESTRICTIONS
RESPECTING CONSTRUCTION AND IMPROVEMENTS

Section 2.01. Submission of Plans and Specifications.

(a) No Structure shall be commenced, erected, placed, moved onto, or permitted to remain on any Residential Lot, nor shall any existing Structure upon any Residential Lot be altered in any which (i) affects the exterior appearance of any Structure or Residential Lot or (ii) affects the interior design or structural integrity of any Structure, unless plans and specifications therefor shall have been submitted to and approved in writing by the ARB. Such plans and specifications shall be in such form and shall contain such information as may be reasonably required in the Architectural Guidelines.

design?
Need to conform to language of other sections of CCRS re: plans + specs as requested.

(b) All "plans and specifications submitted pursuant to" subsection (a) of this Section 2.01 shall be reviewed and accepted or rejected by the ARB in accordance with the procedures set forth in subsection (c) of Section 5.05 of these Regulations.

to "sub mission"

Section 2.02. Notices to Adjoining Owners. Although the approval of Owners holding adjoining Lots is not required as a condition of approval by the ARB of particular plans and specifications submitted to it, such adjoining Owners must be advised of the proposed work for which ARB approval is sought and be given an adequate opportunity (within the time limits described in subsection (c) of Section 5.05 of these Regulations) to file comments with the ARB with respect to such work. No application for ARB approval shall be considered complete unless accompanied by evidence, in such form as the ARB finds acceptable, that adjoining Owners have been notified concerning the pending application. *The ARB may require notice for other nearby lots that might be affected.*

Section 2.03. Approval of Plans and Specifications. Upon approval by the ARB of any plans and specifications submitted pursuant to these Regulations, a copy of such plans and specifications, as approved, shall be deposited for permanent record with the ARB, and a copy of such plans and specifications bearing such approval, in writing, shall be returned to the applicant submitting the same. Approval for use in connection with any Residential Lot or Structure of any plans and

specifications shall not be deemed a waiver of the ARB's right, in its discretion, to disapprove similar plans and specifications or any of the features or elements included therein if such plans, specifications, features, or elements are subsequently submitted for use in connection with any other Residential Lot or Structure. Approval of any such plans and specifications relating to any parcel or Structure, however, shall be final as to that Residential Lot or Structure and such approval may not be revoked or rescinded thereafter, provided that there has been adherence to, and compliance with, such plans and specifications, as approved, and any conditions attached to any such approval.

Section 2.04. Disapproval of Plans and Specifications.

(a) Subject to the provisions of subsection (b) of this Section 2.04, the ARB shall have the right to disapprove any plans and specifications submitted pursuant to these Regulations because of any of the following:

(i) The failure to include information in such plans and specifications "as may have been reasonably requested;

(ii) The failure of such plans and specifications to comply with the Building Code, these Regulations, or the Architectural Guidelines; or

(iii) Any other matter which, in the judgment of the ARB, would be likely to cause the proposed installation, construction, or alteration of a Structure (A) to fail to be in harmony of external design and general quality with the existing Structures on the Property or (B) as to location to be incompatible with topography, finished ground elevation, and surrounding Structures.

(b) All plans and specifications submitted for review by the ARB are also subject to review and approval by the Chancellor of UCSB. The Chancellor is not required to abide by the determination of the ARB. Accordingly, the ARB shall have the right to disapprove any plans and specifications submitted pursuant to these Regulations if such plans and specifications are disapproved by the Chancellor, regardless of the reasons for such disapproval by the Chancellor. There is no right to appeal to the Chancellor with respect to determinations of the ARB, appeals in such circumstances being governed exclusively by the provisions of Section 5.05(d) of these Regulations.

(c) In any case in which the ARB shall disapprove any plans and specifications submitted hereunder, or shall approve the same only as modified or upon specified conditions, such disapproval or qualified approval shall be accompanied by a statement of the grounds upon which such action was based. In any such case the ARB shall, if requested, make reasonable efforts to assist and

Incomplete?
Doesn't cover
interior,
unless
bldg code
violations.
Review CER language
the Add other
any like "safety"

proposal

Change
our
pr 14
CER
language
to
match
this.

advise the applicant in order that an acceptable proposal may be prepared and submitted for approval.

Section 2.05. Inspection Rights. To ascertain whether the installation, construction, alteration, or required maintenance of any Structure is in compliance with the provisions of these Regulations, as well as with any approvals or conditional approvals of the ARB, any employee or agent of the ARB may, after reasonable notice to the Owner concerned and at any ^{mutually agreeable} reasonable time, enter upon any Residential Lot (but not the interior of any housing unit). Neither the ARB, The Regents, nor any employee or agent of The Regents shall be deemed to have committed a trespass or other wrongful act solely by reason of such entry or inspection, provided that such inspection is carried out in accordance with the terms of this Section 2.05.]

Section 2.06. Statement of Compliance.

(a) Upon completion of the installation, construction, or alteration of any Structure in accordance with plans and specifications approved by the ARB, the ARB shall, upon written request of the Owner owning such Structure or upon the ARB's own initiative, issue a Statement of Compliance, identifying such Structure and the Residential Lot upon which such Structure is placed, and stating that the plans and specifications have been approved and that such Structure complies with such plans and specifications. A copy of said Statement of Compliance shall be filed for permanent record with the plans and specifications on file with the ARB.

(b) Any Statement of Compliance issued in accordance with the provisions of this Section 2.06 shall be prima facie evidence of the facts therein stated; and as to any purchaser or encumbrancer in good faith and for value, or as to any title insurer, such Statement of Compliance shall be conclusive evidence that all Structures on the Residential Lot comply with all the requirements of this Article II, provided that the Statement of Compliance shall in no way be construed to certify the acceptability, sufficiency, or approval by the ARB of the actual construction of Structures or of the workmanship pertaining thereto, or to represent or warrant to anyone the quality, function, or operation of the Structures or of any construction, workmanship, engineering, materials, or equipment related thereto.

Section 2.07. Fees. The ARB may impose and collect reasonable and appropriate fees from each applicant seeking its approval pursuant to the provisions of these Regulations to cover the ARB's costs of operation, including but not limited to (i) the cost of examination of any plans and specifications submitted for approval pursuant to these Regulations, (ii) the cost of inspections or tests performed pursuant to Section 2.05 of these Regulations, and (iii) reimbursements to members of the

ARB pursuant to Section 5.03 of these Regulations. Such fees shall be established from time to time by the ARB and published in the Architectural Guidelines.

ARTICLE III - RESTRICTIONS
RESPECTING USE AND MAINTENANCE

All restrictions set forth in this Article should be in addition to and not a replacement of any other restrictions in the CC&Rs which may be applicable to an Owner. In the case of a conflict between these Regulations and the CC&Rs, the CC&Rs shall control.

Section 3.01. Conformity to Building Code.

(a) Except to the extent expressly waived by the ARB, no construction may be undertaken and no Structure may be erected on any Residential Lot unless such construction and Structure conform to the requirements of the Building Code.

(b) To ensure compliance with the Building Code, all Structures on the Property and all work related thereto shall be subject to plan checks, inspections and tests by the County of Santa Barbara, or by such other persons or entities as the ARB may designate, such plan checks, inspections and tests shall be paid for by the Owner concerned.

Section 3.02. Business Usage Prohibited. No Residential Lot or Residence shall be used except for residential purposes. No part of any Residence shall be used except for residential purposes. No part of any Residence shall ever be used or allowed, authorized or caused to be used in any way, directly or indirectly, for any business, commercial, manufacturing, merchantable, storage, or other nonresidential purpose, except for professional or academic endeavors not requiring the continuing presence of any employee or business invitee.

Section 3.03. Solid Waste.

(a) No person shall dump or burn rubbish, garbage or any other form of solid waste on any Residential Lot or the Common Area.

(b) Except for building materials employed during the course of construction of any Structure approved by the ARB, no lumber, metals, bulk materials, or solid waste of any kind shall be kept, stored or allowed to accumulate on any Residential Lot or the Common Area unless such item is screened from view or otherwise handled in a manner approved by the ARB.

(c) Each Owner shall arrange for the regular removal of rubbish, garbage or other form of solid waste from his or her

Residence or Residential Lot and shall ensure that all refuse, containers, wood piles and storage areas shall be obscured from the view of adjoining residences and streets by a fence or appropriate screen approved by the ARB. If rubbish, garbage or other form of solid waste is to be disposed of by a regular collection, containers may be placed in the open on any day that a pickup is to be made, in order to provide access to persons making such pickup. The ARB may make further guidelines relating to the type of containers permitted, the manner of storage, and the place of pickup.

Section 3.04. Offensive Activities. No Owner will use or permit any Residential Lot or Residence to be used in a way which creates a nuisance or which interferes with the quiet enjoyment of other Owners, nor shall an Owner permit anything to be done or kept in or on his or her Residential Lot or in the Common Area which will increase the rate of insurance thereon or will obstruct or interfere with the rights of other Owners, their families, guests or invitees, nor annoy them by unreasonable noises, vibrations, bright or flashing lights, or otherwise.

Section 3.05. Children. Each Owner shall be accountable to the remaining Owners, their families, visitors, guests and invitees for the conduct and behavior of his or her children and any other children residing and/or visiting his or her Residence.

Section 3.06. Pets and Animals. No animals, including birds, insects and reptiles other than two usual and ordinary pets (exclusive of tropical fish but including caged birds) shall be permitted on any Residential Lot or in any Structure located thereon. No such animal shall be allowed to become a nuisance and such pets shall not be allowed in the Common Area except as permitted by the Association. Each Owner shall be absolutely liable to each and all remaining Owners, their families, visitors, guests and invitees for any damage to person or property caused by any pet of an Owner or his or her family, guests, invitees or tenants. No Structure for the care, housing or confinement of any animal shall be constructed or altered on any Residential Lot unless plans and specifications for said Structure have been approved by the ARB.

Section 3.06. Signs.

(a) No signs whatsoever (including but not limited to commercial and similar signs) shall, without the ARB's prior written approval therefor, be installed, altered or maintained on any Residential Lot, or in any portion of any Structure visible from the exterior thereof, except:

(i) Such signs as may be required by legal proceedings;

(ii) A single "For-Sale" sign not larger than is reasonable and customary in the area; and

(iii) Directional signs for vehicular or pedestrian safety in accordance with plans and specifications approved by the ARB.

(iv) campaign →
signs
(b) During construction of any Structure, no more than one job identification sign shall be erected, and no "Sold" sign shall be installed or maintained on any Residential Lot or Structure.

(c) Exterior graphics which are incorporated into the design of any Structure shall require the prior written approval of the ARB.

Section 3.08. Setbacks. In approving plans and specifications for any proposed Structure, the ARB may establish setbacks for the location of the Structure. No Structure shall be erected or placed on any Residential Lot unless its location is consistent with such setbacks.

Section 3.09. Fences and Screens. No fences, awnings, ornamental screens, sunshades or walls of any nature shall be erected or maintained on or around any portion of a Residential Lot or Structure except those that are installed in accordance with plans and specifications which have received the prior written approval of the ARB.

Section 3.10. Drainage and Erosion Control.

(a) All water drainage and runoff from any Structure on a Residential Lot shall drain or flow only into adjacent streets or designated drainage areas and shall not be allowed to drain or flow upon, across or under, any other portion of the Property unless an easement for such purpose has been granted.

(b) No activity which may create erosion or siltation problems shall be undertaken on any Residential Lot without the prior written approval of the ARB of plans and specifications for the prevention and control of such erosion or siltation. The ARB may, as a condition of approval of such plans and specifications, require the use of certain means of preventing or controlling such erosion or siltation, including, without limitation, physical devices for controlling runoff and drainage of water, special precautions in grading or otherwise changing the natural landscape, and required landscaping as provided in Section 3.11 of these Regulations.

Section 3.11. Landscaping. No construction or alteration of any Structure or any portion of the Common Area shall be undertaken without the prior written approval by the ARB of plans

and specifications for the landscaping and soil improvement to accompany such construction or alteration.

Section 3.12. Trees. No Owner shall cut, trim, prune, remove, replace or otherwise alter or affect the appearance or location of any tree, plant or other vegetation located in any portion of the Common Area without the prior written consent of the ARB. Except for trees planted by an Owner wishing to remove the same, and except as expressly permitted by the ARB, no tree having a diameter of six inches or more (measured from a point two feet above ground level) shall be removed from any Residential Lot unless such removal is in conformity with approved landscaping plans and specifications submitted pursuant to the provisions of Section 3.11 of these Regulations. The ARB may recover, on behalf of the Association or The Regents, from any Owner violating this Section the cost of restoring and replacing any such tree.

Section 3.13. Chemical Fertilizers, Herbicides and Pesticides. No chemical fertilizers, herbicides or pesticides shall be used on any part of the Property, except for products which are available for consumer use through retail sources, or approved by the appropriate federal, state and local government agencies, and are used in conformity with the manufacturer's directions and for the purposes approved by such governmental agencies.

Section 3.14. Antenna and Other Equipment. No television or radio poles, antenna, satellite transmission or reception equipment, flagpoles, air conditioning or heating units, clothesline or external fixtures, other than those installed by The Regents or approved by the ARB and any replacements thereto shall be constructed, erected or maintained on or within any part of the Property. Each Owner shall have the right to maintain television or radio antennae within enclosed or completely screened portions of his or her Residence. The location of common antennae or connection facilities for cable television shall be solely as designated by the ARB.

*exterior dish
or other exterior
fix. by Regs
Add they
must be
removed
if no longer
in use or
obsolete.*

Section 3.15. Parking, Storage and Repair of Vehicles.

(a) The ARB shall have the right to regulate overnight parking of motor vehicles on streets within the Property, as well as the parking or storage of any boat, trailer, recreational vehicle, camper, motorhome, truck, commercial vehicle or any other vehicle too large to fit in a normal residential garage. No such vehicle shall be used as a living area while located within the Property. Such a vehicle may not be stored within the Property unless it is the Owner's principal means of transportation.

(b) No vehicle repairs other than oil changes, minor tune-ups or simple repairs that could be completed within one or

two hours shall be commenced upon any driveway, parking area or other visible place within the Property. No waste fluids, parts or other materials shall be dumped or drained on or into any part of the Property. No vehicle that is not in good working order shall remain for more than seventy-two (72) hours on ~~any part of~~ the Common Area, parking ^{areas} or driveways.

Section 3.16. Mailboxes. No exterior mailbox or other receptacle for the delivery or dispatch of mail, packages, newspapers, periodicals or similar matter shall be constructed or altered upon any Residence or Residential Lot without the prior written approval of the ARB.

Section 3.17. Outside Storage. No Owner shall park or store machinery, equipment, baby carriages, playpens, bicycles, wagons, benches or chairs on any part of the Common Area or on any Residential Lot unless screened by enclosures, fences or other devices in a manner approved by the ARB. Such personal property may be used for its ordinary purpose in the Common Area or on a Residential Lot, and it may be stored in storage areas, if any, as may designated by the Association or the ARB for that purpose.

Section 3.18. Exterior Lighting. Erection or alteration of any exterior lighting on any Residential Lot or Structure shall be subject to the prior written approval of the ARB of plans and specifications for such lighting, including the design, location and direction thereof.

Section 3.19. Poles and Wires. All wires for the transmission of electricity, telephone messages, cable television or the like shall be installed below the surface of the ground and no poles and above ground wires therefor shall be installed on any Residential Lot or any Structure or except on a temporary basis as approved by the ARB.

Section 3.20. Window Coverings. Windows in any Structure on any Residential Lot may be covered only by drapes, shades, blinds or shutters and may not be painted or covered by aluminum foil, cardboard or any other material not approved by the ARB.

Section 3.21. Pests. No Owner shall permit any condition to exist on his or her Residential Lot which shall induce, breed, or harbor infectious plant diseases or noxious insects or vermin.

Section 3.22. Alterations. No Owner shall make any alterations or modifications to any portion of the Common Area, nor shall any Owner make any alterations or modification to the exterior of any Structure or to any fence, railing or wall situated upon a Residential Lot without the prior written consent of the ARB. [Any structural, plumbing or electrical modification, alteration or addition to or of a Structure shall require the prior written consent of the ARB.]

remove this sentence since conflicts w/ other CCR lang.

Section 3.23. Maintenance. Except as provided in the CC&Rs with respect to maintenance by the Association and with respect to party wall repairs, each Owner shall be responsible for maintaining the Structures comprising his or her Residence, including the equipment and fixtures in the Structure, and its walls, attics, roof, ceilings and doors in a clean, sanitary, workable and attractive condition. Each Owner shall also be responsible for maintenance, repair, and replacement as needed of all plumbing, electrical, heating, air conditioning and gas lines, conduits, apparatus and equipment within his or her Residence and for repair, replacement and cleaning as needed of the windows and glass of his or her Residence.

ARTICLE IV - PARTY WALLS AND COMMON ROOF AREAS

All matters or disputes involving a wall which is built as part of the original construction of a Structure and which is on the dividing line between two Lots under different ownership ("Party Wall"), or each roof area which covers portions of one Structure located on two or more Lots under different ownership ("Common Roof Area") shall be governed first by Article VII, ^{and should be added Article} ~~section 3~~ VII of the CC&Rs and to the extent not inconsistent therewith by the general rules of California law regarding party walls and common roof areas.

ARTICLE V - ARCHITECTURAL REVIEW BOARD

Section 5.01. Establishment and Composition.

(a) No later than the time of the sale of the first Residence, the University is required under the CC&Rs to appoint an Architectural Review Board for the purpose of performing the architectural review and other functions assigned to the ARB in these Regulations. At the University's option, the ARB may be organized as a California nonprofit public benefit corporation.

(b) The ARB shall consist of either three (3) or five (5) members, all of whom shall be appointed by the Chancellor of UCSB, provided that, prior to one (1) year after the first sale of a Residence, at least a majority of the members of the ARB may be appointed by the Chancellor of UCSB and the remaining members of whom may be appointed by the Association.

(c) All members of the ARB shall be appointed or elected for terms of two (2) years and those appointed by the Chancellor of UCSB may be removed by the University at any time for any reason or no reason. An ARB member appointed by the Association may be removed only for cause. ARB members may be appointed to serve successive terms.

Section 5.02. Vacancies. If any vacancy shall occur in the membership of the ARB by reason of death, resignation, removal, or otherwise, the remaining members shall continue to act and shall within thirty (30) days after such vacancy occurs, unless the Chancellor of UCSB or the Association shall designate a successor for a member appointed by such body, appoint a successor member to fill the balance of the unexpired term. Any member may resign at any time by written notice to the Chancellor of UCSB, and such resignation shall take effect upon receipt thereof by the Chancellor unless the notice specifies some other effective date, + ^{notification to} ~~at~~ HOA ~~shall be~~

Section 5.03. Officers and Compensation.

(a) The members of the ARB shall appoint a Chairman from among their number.

(b) The members of the ARB shall serve without compensation, provided that The Regents may reimburse the members for reasonable out-of-pocket expenses incurred in the performance of their duties as members to the extent that such expenses are not reimbursed by the ARB from the fees charged for its services pursuant to Section 2.07 of these Regulations.

Section 5.04. Conflicts of Interest. No member of the ARB may participate in any decision of the ARB on a matter in which he has a direct or indirect financial or professional interest, or on a matter in which he or any firm with which he is associated has provided professional consultative services for a fee to any party whose application is before the ARB, provided that if two (2) or more members may not participate in the making of a decision because of disqualification as provided herein, The Regents or the Association, as the case may require, shall name a substitute member to act only on the matter resulting in the disqualification. For a period of one (1) year after his service on the ARB, no former member may represent any person before the ARB where that former member has previously participated in decisions affecting such person. Each member of the ARB shall inform the ARB in writing of any direct or indirect financial or familial relationship which he may have with any applicant within the Property or with such applicant's builder or architect. Such disclosure shall be made within fifteen (15) days of any action by an applicant which makes the disclosure relevant.

Section 5.05. Operations of the ARB.

(a) The ARB shall maintain both a record of votes and minutes for each of its meetings. The ARB shall routinely forward copies of such records and minutes to The Regents and the Association and shall, additionally, make them available at reasonable places and times for inspection by each Owner.

taken without a record of votes

(b) In carrying out its functions under these Regulations, the ARB shall be governed by the Architectural Guidelines described in Section 5.06 of these Regulations. In applying such Architectural Guidelines, the ARB shall, as required, make findings, determinations, rulings, and orders with respect to the conformity with such Guidelines of plans and specifications submitted for approval to the ARB pursuant to the provisions of these Regulations. The ARB shall, as required, issue permits, authorizations, or approvals, which may include specified requirements or conditions, pursuant to the provisions of these Regulations.

(c) The decision of a majority of the members of the ARB with respect to any application or request pending before the ARB shall be final and binding upon the person making such request or application. The ARB shall be required to render decisions on matters pending before it within forty-five (45) days after the receipt by the ARB of a request or application submitted by an Owner or prospective Owner, which request or application is complete in all respects under the requirements of these Regulations and the Architectural Guidelines. If the ARB fails to act upon any request or application within the above-stated time period, such request or application shall be deemed approved.

(d) If an Owner receives a decision of the ARB which he or she deems to be unsatisfactory, the Owner may petition the Chancellor of UCSB for review of such decision. The Chancellor may, but shall not be obligated to appoint one or more persons as a committee of review. If such a committee is appointed, it will conduct a hearing at which the Owner and the ARB may present their respective positions. The committee will render its decision within (5) five business days of the hearing; failure to render a decision within such period will be deemed to be an affirmation of the decision of the ARB. The decision of the review committee shall be final and binding with respect to any issue accepted for review. If the Chancellor fails to accept a matter for review within 60 days after receiving a request from an Owner, the decision of the ARB shall be final and binding.

(e) The ARB may, from time to time, prepare and recommend for approval to the Chancellor of UCSB amendments to the Architectural Guidelines which the ARB believes necessary or desirable to implement the provisions of these Regulations.

Section 5.06. Architectural Guidelines.

(a) The Chancellor of UCSB has the right to approve and adopt and may, from time to time upon recommendation of the ARB or in his or her own discretion, amend Architectural Guidelines for the purpose of:

(i) Governing the form and content of plans and specifications to be submitted for approval pursuant to the provisions of these Regulations;

(ii) Governing the procedure for such submission of plans and specifications; and

(iii) Establishing guidelines with respect to the approval and disapproval of design features, architectural styles, exterior colors and materials, details of construction, location and size of Structures, and all other matters that require approval by the ARB pursuant to these Regulations.

(b) Subject to the provisions of Section 2.04 of these Regulations, the Architectural Guidelines, as approved or amended by the Chancellor of UCSB, shall be binding upon the ARB and shall be used by the ARB in making decisions as described in subsection (b) of Section 5.05 of these Regulations. The ARB shall make a published copy of the current Architectural Guidelines readily available to all applicants seeking the ARB's approval and to each Owner.

ARTICLE VI - ENFORCEMENT

Section 6.01. Right of Enforcement. The Chancellor of UCSB, and The Regents, ~~acting upon the recommendation of the ARB,~~ shall have the right to enforce the provisions of these Regulations by appropriate judicial proceedings, including actions for damages, injunction, or specific performance, as well as any other relief to which The Regents may be entitled at law or in equity. Such right of enforcement shall be in addition and supplemental to any right which The Regents may have to declare an Owner in default under the Residential Lot Lease as a result of the Owner's violation of the provisions of these Regulations. remove

Section 6.02. No Waiver. The failure of The Regents or the ARB to enforce any provision of these Regulations in one or more instances shall not be considered a waiver of the right to do so thereafter, as to the same violation or breach or as to any violation or breach occurring prior or subsequent thereto.

Section 6.03. Right of Abatement.

(a) In the event of a violation or breach of any provision of these Regulations, the ARB may give written notice by certified mail to the Owner setting forth in reasonable detail the nature of such violation or breach and the specific action or actions needed to be taken to remedy such violation or breach. If the Owner shall fail to take reasonable steps to remedy such violation or breach within thirty (30) days after the mailing of such written notice, then The Regents, acting on the

recommendation of the ARB, shall have the right of abatement in subsection (b) of this Section 6.03.

(b) The right of abatement, as used in this Section 6.03, means the right of The Regents, through its agents and employees, to enter at reasonable times upon any Residential Lot or Structure, as to which a violation, breach, or other condition to be remedied exists, and to take the actions specified in the notice to the Owner to abate, extinguish, remove, or repair such violation, breach, or other condition which may exist thereon contrary to the provisions of these Regulations, without being deemed to have committed a trespass or wrongful act solely by reason of such entry and such actions; provided that such entry and such actions are carried out in accordance with the provisions of this Section 6.03.

(c) All reasonable costs incurred by the ARB or The Regents in exercising its right of abatement as provided in this Section 6.03 shall be chargeable to the Owner with respect to whose Residential Lot such actions in abatement are taken, and failure to pay when due such charges shall be regarded as a breach of the Residential Lot Lease. Such charges shall be due and payable thirty (30) days after a statement therefor has been rendered by The Regents to the Owner unless The Regents in its sole discretion, agrees to a more extended repayment period.

ARTICLE VII - AMENDMENTS AND CONFLICTS

Section 7.01. Amendments. These Regulations may be amended by The Regents only after (i) delivery to all Owners of an amendment prepared by The Regents in a written notice, and (ii) after expiration of thirty (30) days from the date of delivery of such notice, during which period any Owner and/or the Association may provide written comments to The Regents regarding the proposed amendment. For purposes of this Article VII, the term "Owner" shall be deemed to include any lawful successor or assignee of an Owner, including without limitation any lender.

Section 7.02. Conflicts. In the event of any conflict between the provisions of these Regulations and the provisions of the Architectural Guidelines, the provisions of these Regulations shall govern. In the event of any conflict between the provisions of these Regulations or the Architectural Guidelines and the provisions of the Residential Lot Lease or the CC&Rs, the provisions of the Residential Lot Lease or the CC&Rs shall govern.

EXHIBIT FIFTH to
Residential Lot Lease

WEST CAMPUS POINT
CONSENT TO PAYROLL DEDUCTION
FOR RESIDENTIAL LOT RENT

EXHIBIT FIFTH to
Residential Lot Lease

WEST CAMPUS POINT
CONSENT TO PAYROLL DEDUCTION
FOR RESIDENTIAL LOT RENT

Check One:
Initial Authorization [] Change [] Cancel []

EMPLOYEE NAME _____

SOCIAL SECURITY NUMBER _____

Effective with my payroll check dated _____, 19__

contingent upon meeting payroll deadlines, I hereby authorize the University of California to deduct \$_____ each month from my earnings as an employee for payment of West Campus Point Residential Lot Lease rental.

(signature)

(date)

=====

TO BE COMPLETED BY THE ACCOUNTING OFFICE

TR code	EMPLOYEE I.D. NO.	13	DATE	18	ELEMENT NO.	BAL	AMOUNT
1 2	4	12	MO	DAY	YR	19	22 23 23 30
X 1					6 0 6 9		

EXHIBIT C to
Home Purchase Contract

REAL ESTATE TRANSFER FORM
CALIFORNIA ASSOCIATION OF REALTORS

ATTACHMENT TO DISCLOSURE STATEMENT

The construction of the homes at West Campus Point was done by Goldrich, Kest & Associates of Sherman Oaks, CA. as a design/build project. The construction was completed in December of 1986. During the first two years of occupancy, the University and the homeowners became aware of certain construction problems. The University has pursued resolution of these problems with Goldrich, Kest and Associates. As of January 1989, the University assumed the responsibility of investigating and repairing the identified construction problems. (See attached letter from Vice Chancellor Sheldon.)

Set forth below are the problems which were identified and have been repaired as of February 28, 1990. All repairs are complete and no further repairs are anticipated in the future. These problems are general problems for the whole project and may not apply to the unit which you are considering purchasing.

1. Exterior Walls
 - a. Cracks in stucco
 - b. Gaps between the vents, fixtures and stucco walls
2. Roofs
 - a. Ponding on some flat parts of roof
 - b. Blockage of roof drain from mastic
 - c. Roof drain fittings which are loose
3. Windows
 - a. Warping and cupping on fixed french windows at entrance
4. Doors
 - a. Warping and cupping on the main entry french door threshold.
 - b. Master bedroom threshold set flush with stucco
5. Fireplace Wall
 - a. Cracks in fireplace bricks
6. Courtyard Tiles
 - a. Slope of tile towards entry doors
 - b. Crumbling of tile
7. Garage Decks
 - a. Leaks from roof deck into garage



DAVID PIERPONT GARDNER
President of the University

OFFICE OF THE CHANCELLOR
SANTA BARBARA, CALIFORNIA 93106

BARBARA S. UEHLING
Chancellor at Santa Barbara

December 19, 1988

Joe Boisse
President
West Campus Homeowners Association
911 West Campus Lane
Goleta, California 93117

Dear Joe,

This letter will serve as a written confirmation of the conversation Everett Kirkelie and I had with the West Campus Owners' Association on November 9, 1988. We intend to make repairs in accordance with the following schedule:

Step One (November & December, 1988)

- A. Caulk all exterior vents.
- B. Install 280 vent hoods.
- C. Clean and inspect roofs. Inspect and repair roof drains.
- D. Establish a vendor blanket with the roofing contractor to respond and repair all roof problems.
- E. Install a test roof repair on one duplex unit.

Step Two (March or April, 1989, Weather Permitting)

- A. Repair all roofs as required.
- B. Repair courtyard tiles and slopes of tile.

Step Three (May or June, 1989)

- A. Repair the entry and master bedroom thresholds.
- B. Install weather stripping on all doors.

Joe Boisse
West Campus Point Housing

Page 2

Step Four (Summer, 1989 If Units are Watertight)

- A. Install light gaskets, paint exterior doors, and do elastomeric process on all units.

If you have any questions, please feel free to telephone Don DuBay, Director of Facilities Management or myself.



David N. Sheldon

cc: D. DuBay
R. Frost
E. Kirkelie

WEST CAMPUS POINT PLANNED UNIT DEVELOPMENT
COMMON AREA LEASE

UNIVERSITY OF CALIFORNIA SANTA BARBARA

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EXHIBITS:

EXHIBIT "A" - Description and/or Map of Premises

EXHIBIT "B" - List of Encumbrances

WEST CAMPUS POINT PLANNED UNIT DEVELOPMENT

COMMON AREA LEASE

THIS COMMON AREA LEASE is made and entered into this _____ day of _____, 1986, by and between THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, a California corporation ("The Regents"), and WEST CAMPUS POINT HOMEOWNERS' ASSOCIATION, a California mutual benefit corporation (the "Association").

PREAMBLE

1. The Regents owns certain real property located at West Campus Lane, County of Santa Barbara, State of California, described in the attached Exhibit A (the "Property").

2. The Regents intends to develop the property into sixty-five (65) Residential Lots, each containing one for-sale Residence, for the principal benefit and convenience of the members of the faculty and academic staff of the University of California (the "Housing Program").

3. The principal objective of the Housing Program is to strengthen the educational program at the University of California, Santa Barbara, by fostering an academic community near the campus, creating affordable for-sale housing for members of the University's faculty and academic staff, and assisting in the recruitment and retention of faculty.

4. The Association is a membership corporation, the members of which are owners of the Residences located on the Property.

5. The Association was formed, among other things, to lease from The Regents that portion of the Property not leased by Association members (herein "Common Area"), to manage such portion and to maintain certain property privately owned by members of the Association.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties to this Common Area Lease agree as follows:

ARTICLE I - DEFINITIONS AND EXHIBITS

Section 1.01. Definitions. As used in this Lease:

(a) "ARB" means the Architectural Review Board established pursuant to Article IX, section 2 of the CC&Rs.

(b) "Association" means the West Campus Point Homeowners Association, a California mutual benefit corporation, its successors and assigns.

(c) "Commencement Date" means the date first above written.

(d) "Common Area" means the real property leased pursuant to this Lease by The Regents to the Association for the common use and enjoyment of the Owners, consisting of all that area comprising Lot 66 on Exhibit "A" attached hereto and incorporated herein, together with any improvements now or hereafter existing thereon.

(e) "Declaration" or "CC&Rs" means the Declaration of Covenants, Conditions and Restrictions of the West Campus Point Planned Unit Development which was recorded on _____, 1986, as instrument No. _____, official records of the County of Santa Barbara, State of California.

(f) "Owner" means a lessee under a Residential Lot Lease.

(g) "Housing Program" means the program approved by The Regents for the development and construction of Residences in a community to be known as West Campus Point, for the benefit of the faculty and staff of the University, and it includes any amendments or modifications to such Housing Program which, after approval by The Regents, may from time to time be made.

(h) "Lease" means this Common Area Lease.

(i) "Person" means a natural person, corporation, business trust, estate, trust, partnership, association, joint venture, government, governmental subdivision or agency, or any other legal or commercial entity as the context may require.

(j) "Property" means that certain real property located at West Campus Lane, County of Santa Barbara, State of California, described in Exhibit A attached hereto.

(k) "The Regents" means The Regents of the University of California or any designee or authorized agent thereof.

(l) "Regulations" means the West Campus Point Property Use and Maintenance Regulations as adopted by the Association and as hereafter amended.

(m) "Residence" means a residential structure or structures, including patio areas, enclosed yards and garages located on a Residential Lot.

(n) "Residential Lot" means Lots 1 through 65 as described in Exhibit "A."

(o) "Residential Lot Lease" means a lease entered into by The Regents and an Owner for a Residential Lot.

(p) "University" means the University of California, Santa Barbara.

Section 1.02. Exhibits. Each Exhibit, if any, to this Lease is incorporated herein by reference, and shall, together with this Lease be deemed one and the same instrument.

ARTICLE II - TRANSFER OF LEASEHOLD INTEREST AND BASIC TERMS OF LEASE

Section 2.01. Transfer of Leasehold Interest. In consideration of the faithful performance by the Association of all of the terms, covenants and conditions of this Lease by the Association, The Regents hereby leases to the Association, and the Association hires and leases from The Regents, the Common Area.

Section 2.02. Term. The term of this Lease shall commence on the Commencement Date and shall end on the later to occur of December 31, 2046, or the expiration or termination of the last Residential Lot Lease, subject, however, to earlier termination as provided in this Lease.

Section 2.03. Rent. In consideration of the leasing of the Common Area, the Association shall pay to The Regents rent of sixty-five dollars (\$65.00) per year, payable in advance on January 1 of each and every year during the term of this Lease commencing with the calendar year following the Commencement Date.

Section 2.04. State of Title. The Regents' title to the Common Area is now free and clear of any lien, charge, encumbrance, or claim except as may be referred to and described

in Exhibit "B" to this Lease, and shall so remain throughout the term of this Lease except as otherwise provided herein or as may be agreed to mutually by the parties hereto. At all times during the term of this Lease and so long as the Association is not in default under the terms hereof, the Association shall hold, occupy and enjoy the Common Area without disturbance or hindrance by The Regents or by any other person claiming under or by right of The Regents.

Section 2.05. Uses and Purposes.

(a) The Association shall not use, nor permit any other person, including an Owner, to use the Common Area in any way that constitutes a nuisance. The Association shall conform to, and cause any person using or occupying the Common Area and any person present in the Common Area by license or invitation of an Owner, to comply with the CC&Rs, the Regulations and with all other applicable public laws, ordinances and regulations. The Association will hold harmless The Regents from any penalty, damages or charge imposed for any violation of the CC&Rs, the Regulations or of any law, ordinance or other regulation applicable to the use and occupancy of the Common Area occasioned by the negligent or willful acts or omission of the Association, or any employee or agent thereof.

(b) Notwithstanding subsection 2.05(a), above, the Association shall have the right to contest, by appropriate judicial or administrative proceedings, without cost or expense to The Regents, the validity or application of any present or future law, ordinance or regulation which restricts use of the Common Area or which requires the Association to alter the Common Area. The Association shall not be in default under this Lease for failure to comply with such law, ordinance or regulation until a reasonable time following the final judgment and conclusion of appeals in any such administrative or judicial proceedings, provided that the Association shall protect The Regents and the Common Area from any lien by adequate security bond or other appropriate security.

Section 2.06. Taxes and Assessments.

(a) The Association will pay when due all taxes and assessments imposed by governmental entities against the Common Area. Any such tax or assessment may be paid in installments when allowed by the taxing or assessing governmental entity. The Association's obligation to pay taxes and assessments levied and assessed against the Common Area shall exclude any tax purported to be levied against the interest of The Regents in the Common Area or

any tax which has been assessed or properly applicable to the interest of an Owner.

(b) The Association will hold harmless The Regents from the payment of any tax or assessment required to be paid pursuant to subsection 2.06(a), above. Subject to the provisions of subsection 2.06(c), below, the Association will prevent any such tax or assessment from becoming a delinquency and lien on the Common Area or any part thereof. If the payment of any such tax or assessment shall be more than ninety (90) days delinquent The Regents shall have the right, but not the obligation, to pay such tax or assessment. If The Regents makes any such payment, the amount of the payment shall be immediately due and payable to The Regents by the Association and shall bear interest pending payment by the Association at the highest rate then permitted by law.

(c) The Association shall have the right, at its own cost, to refuse to pay and to contest the amount or validity of any tax or assessment by an appropriate proceeding diligently conducted in good faith. However, the Association's right to contest shall be exercised in such a manner as to avoid any exposure of the Common Area to foreclosure or execution sale. Pending final judgment in and appeal from any such proceeding, The Regents shall not have the right to pay, remove or discharge any tax or assessment so contested provided that the Association shall protect The Regents and the Common Area from any lien by adequate security bond or other security.

Section 2.07. Utilities. The Association will pay all charges for gas, water, sewer, electricity, telephone and other utility services used on or for the Common Area during the lease term (specifically including services to be provided under that certain Utilities Services Agreement of even date herewith by and between the Association and The Regents) and shall indemnify The Regents and the Common Area from and against any such charge or lien arising therefrom. If any such charge is not paid when due, The Regents may pay the same, and any amount so paid by The Regents shall thereupon become immediately due and payable to The Regents by the Association and shall bear interest pending payment at the highest rate permitted by law. In addition, the Association's right to certain water from The Regents is subject to the rights of The Regents under Article XX, Section 2 of the CC&Rs to restrict availability of water.

Section 2.08. Compliance with Covenants, Conditions and Restrictions. The Association shall, in all respects, comply with, be bound by and carry out all obligations imposed by the

CC&Rs on the Association. A violation of any such provision shall constitute a breach or default hereunder and entitle The Regents to exercise the remedies set forth herein.

Section 2.09. Ownership of Improvements. All improvements located in or on the Common Area at the Commencement Date are the property of The Regents. All improvements made or constructed on the Common Area following the effective date of the Lease shall be the property of the Association during the term of this Lease. Upon expiration or earlier termination of this Lease, all such improvements located on the Common Area shall become the property of The Regents, subject to the provisions of section 4.05 of this Lease.

Section 2.10. Condition of Common Area. The Association hereby accepts the Common Area "as is" and acknowledges that the Common Area is in satisfactory condition. The Regents shall not be responsible to the Association or to any Owner for any land subsidence, slippage, soil instability, or damage resulting from any such conditions.

Section 2.11. Non-Liability of The Regents. The Regents shall be free from all liability or loss by reason of injury or death to any person, or damage to or loss of property from whatever cause whether on the Common Area, or in any way connected with the Common Area or with the improvements or personal property on the Common Area, (a) arising from any use of the Common Area, or any part thereof, (b) caused by any defect in any building, structure or other improvement thereon or in any equipment or other facility located therein, (c) caused by or arising from any act or omission of the Association, or any of its agents, employees, licensees or invitees, (d) arising from any accident on the Common Area or any fire or other casualty thereon, (e) occasioned by the failure of the Association to maintain the Common Area in a safe condition, or (f) arising from any other cause whatsoever, except as occasioned by the act or omission or neglect of any duty by The Regents or its employees. The Association shall indemnify The Regents and save it harmless from and against any and all claims, actions, damages, liability and expenses, including attorney's fees, in connection with loss of life, personal injury and/or damage to property arising from or out of any incurrence in, upon or at the Common Area or arising from or out of the Association's failure to comply with any provision of the Lease, or otherwise occasioned wholly or in part by any act or omission of the Association, its agents, contractors, employees or licensees. If The Regents shall, without fault on its part, be made party to any litigation commenced by or against the Association, the Association shall protect and hold The Regents harmless and pay all costs, expenses and reasonable attorney's fees incurred or paid by The Regents in connection therewith.

Section 2.12. Liens and Encumbrances. Subject to section 2.06 of this Lease, the Association will keep the Common Area free and clear of any liens or encumbrances created by the Association's acts or omissions or created by the performance of any labor for or the furnishing of any materials, supplies or equipment to the Association. The Association will hold harmless The Regents from any such liens, claims or demands, and from any related costs, damages or liability.

Section 2.13. Insurance. The Association, at its sole cost and expense, shall during the entire term hereof, procure, pay for and keep in force and effect all of the insurance required of the Association by the CC&Rs. The Regents shall have the right to review the coverage, form and amount of insurance required hereby at each fifth year anniversary of the Commencement Date of this Lease. If, in the sole opinion of The Regents, the insurance required by the CC&Rs to be maintained by the Association does not provide adequate protection to The Regents, then, subject to the rights of the Association to demand arbitration as set forth below, The Regents may require the Association to obtain insurance sufficient in coverage, form and amount to provide adequate protection to The Regents. If the Association does not agree with the changes requested by The Regents, the Association shall have the right to demand arbitration of the reasonableness of the proposed change. Unless otherwise agreed to by both parties, such arbitration shall be conducted in Santa Barbara County, California, in accordance with the rules and procedures of the American Arbitration Association or any successor thereto by arbitrators knowledgeable with respect to the types of insurance required by the CC&Rs.

ARTICLE III IMPROVEMENT AND USE OF COMMON AREA

Section 3.01. Use. The Association shall use the Common Area for the benefit and convenience of the residential development known as West Campus Point Planned Unit Development, as more fully provided in the CC&Rs. The Association shall not use or by affirmative action permit any person to so use all or any portion of the Common Area so as to disturb the Owners, or occupants of adjoining property, to constitute a nuisance, to violate any public law, ordinance or regulation, or to violate the CC&Rs as from time to time applicable to the Common Area. A violation of any such provision shall constitute a breach or default hereunder and shall entitle The Regents to exercise the remedies set forth herein. The Association shall have the right to grant such license and ingress and egress right of use as shall be reasonably required for use and enjoyment of the Common Area.

Section 3.02. Improvements; Alterations. No structure or addition or alteration to the exterior of any building or structure constructed upon the Common Area, including without limitation the installation of any equipment, apparatus, fixture, appliance or other item, shall be commenced by or at the request of the Association unless and until plans and specifications covering the proposed structure, addition or alteration have been first submitted to and approved by the ARB in accordance with Article IX of the CC&Rs. All such additions, alterations or structures shall be constructed at the Association's sole cost and expense and shall be maintained in a lien-free condition. Any such addition, alteration or structure shall comply in all respects with applicable building codes and governmental restrictions. The Association shall not, without the prior written approval of the ARB, requested and rendered in accordance with the requirements of the CC&Rs, permit or suffer the demolition or removal of any improvement located on any portion of the Common Area.

Section 3.03. Maintenance and Repair

(a) The Regents shall not be required or obligated to make any changes, alterations, additions, improvements or repairs in, on or about the Common Area, or any part thereof during the term of this Lease.

(b) At all times during the term of this Lease, the Association shall, at its sole cost and expense, keep and maintain the Common Area and all improvements located thereon and all facilities appurtenant thereto in first-class condition, order and repair at least equal in quality to that maintained by The Regents with respect to its own facilities and by other owners of properties of similar class and condition in the County of Santa Barbara, California. The Association shall maintain the entire Common Area, all improvements thereon and all landscaping and undeveloped areas thereon, in a clean, sanitary, orderly and attractive condition free from weeds, rubbish and debris. The Association will keep in force and effect throughout the term hereof a contract or other arrangement, satisfactory to The Regents in its sole discretion, for the maintenance of all landscaping, which contract shall be maintained with such company, person or entity (including the University) as The Regents may reasonably approve. All repairs, alterations, replacements or additions to improvements shall be at least equal to the original work in class and quality. The necessity and adequacy of such repairs and other work shall be measured by the same standard as set forth above for the original construction and maintenance.

(c) At all times during the term of this Lease the Association shall assess and collect from the Owners assessments reasonably adequate to fund reserves for maintenance and replacement of improvements located on the Common Area.

(d) Notwithstanding subsections (a) and (b), above, if the Association fails, within (fifteen) 15 days after the date of a notice in writing from The Regents to do so, to comply with the provisions of subsection 3.03(b) above, The Regents shall be entitled to, but shall not be obligated to enter the Common Area and perform such work as may be necessary to restore the Common Area and any improvements thereto the condition required by subsection 3.03(b), above, and all of The Regents' expenses in connection with such work shall be paid by the Association to The Regents upon demand, together with interest thereon at the highest rate permitted by law.

Section 3.04. Assignments and Subletting. Neither the Association nor any trustee, receiver or other successor to the Association shall, either voluntarily or by operation of law, assign, sell, encumber, pledge or otherwise transfer all or any part of the Association's leasehold estate hereunder or permit the Common Area to be occupied by anyone other than those persons permitted under the CC&Rs, or sublet the Common Area or any portion thereof (except for social events held by or for the benefit of one or more Owners) without the University's prior written consent in each instance, which consent may be withheld for any reason or no reason.

Section 3.05. Encumbrances. The Association may not subordinate this Lease to any mortgage or deed of trust, nor may the Association assign or otherwise transfer its interest in this Lease or in the Common Area to a trustee under a deed of trust or to a mortgagee under a mortgage without the express, prior written consent of The Regents, which consent may be withheld for any reason or no reason.

Section 3.06. Rights Reserved by The Regents.

(a) The Regents reserves the right to enter and to permit the County of Santa Barbara and other governmental bodies and public utilities to enter upon the Common Area for the purposes of ingress, egress, installing, using, operating, maintaining, renewing, relocating and replacing such underground, or other water, oil, steam, gas, storm sewer, sanitary sewer and other pipelines and telephone, electric, power, cable television and other lines, conduits and transmission equipment and facilities as The Regents may deem desirable in connection with the development or use of

the Common Area or any other property in the neighborhood whether or not owned by The Regents, provided, however, that all such pipelines, lines, conduits and transmission equipment and facilities shall be buried or otherwise placed so as not to interfere with the use or stability of any Residence or other improvement to the Common Area. The Regents shall indemnify and reimburse the Association for any loss or damage actually incurred or sustained by the Association as a result or arising out of the exercise by The Regents of any right reserved in this section.

(b) The Regents reserves the right (i) to enter upon the Common Area for purposes of construction of the Residences and improvements located in the Common Area, and (ii) to use the roads and paths in the Common Area for ingress, egress and transit on the Property.

Section 3.07. Reservation of Oil, Gas and Mineral Rights.
The Regents reserves unto itself and its assigns from all property leased hereunder:

(a) Any oil, gas, or any other hydrocarbon or mineral substance and accompanying fluids, including all geothermal resources, that may be within or under the Common Area including the rights to explore, mine, drill, slant drill, produce, maintain subsurface pressures, and utilize subsurface storage space for any such substance or resource. This reservation does not include the right of entry from surface access from the Common Area.

(b) Any and all water rights or interest therein, together with the right and power to explore, drill, redrill, remove and store the same from the Common Area or to divert or otherwise utilize such water rights or interests on any other property owned or leased by The Regents, whether such water right shall be riparian, overlying, appropriative, percolating, littoral, prescriptive, adjudicated, statutory or contractual; but without, however, any right to enter upon the surface of the Common Area in the exercise of such rights.

(c) Neither the Association nor any Owners shall be disturbed in his or her or its quiet enjoyment and peaceful use of the Common Area by any exploration, drilling or production activities.

ARTICLE IV
DEFAULT, TERMINATION AND CONDEMNATION

Section 4.01. Default. The occurrence of any one or more of the following events constitutes a default hereunder by the Association:

(a) Failure to pay when due any rent, tax, assessment or other charge upon the Common Area when due and payable where such failure shall continue for a period of ten (10) days after written notice thereof from The Regents to the Association.

(b) Failure by the Association to perform any other expressed or implied covenant which it is required hereunder to perform hereby, should such failure continue for thirty (30) days after written notice thereof from The Regents to the Association specifying the particulars of such default; provided, however, that if the nature of the Association's default is such that more than thirty (30) days are reasonably required for its cure, then the Association shall not be deemed to be in default if the Association shall commence such cure within said thirty (30) days and thereafter diligently prosecute such cure to completion.

(c) Appointment of a receiver, custodian or trustee to take possession of all or substantially all of the assets of the Association who shall not be removed within thirty (30) days of such appointment, except for a receiver appointed at the instance of The Regents to take possession of the Association's interest in the Common Area, or (ii) making a general assignment for the benefit of creditors; (iii) becoming unable or failing to pay its debts as they mature; or (iv) any action taken or suffered by the Association under any reorganization, insolvency or bankruptcy law or proceeding involving the Association as the debtor, which is not dismissed within thirty (30) days after commencement thereof.

Section 4.02. Remedies. If any default by the Association shall continue uncured, following notice of default, where required by this Lease, for the period applicable to the default under the applicable provision of this Lease, The Regents may resort, cumulatively or in the alternative, to the following remedies, as well as to any one or more other remedies provided by law or equity:

(a) Termination. The Regents may, at The Regent's election, terminate this Lease by giving the Association notice of termination. On the giving of the notice, all of the Association's rights in the Common Area and every part

thereof shall terminate. The Regents shall not be deemed to have terminated this Lease unless The Regents shall have so declared in writing to the Association, nor shall The Regents be deemed to have accepted or consented to an abandonment by the Association by performing acts intended to maintain or preserve the Common Area or appointing a receiver to protect The Regent's interest under the Lease. Promptly after notice of termination, the Association shall surrender and vacate the Common Area and all improvements thereto and The Regents may re-enter and take possession of the Common Area and all improvements thereon. Termination under this paragraph shall not relieve the Association from the payment of any sum then due to The Regents or from any claim for damages previously accrued or then accruing against the Association.

(b) Recovery of Damages. The Regents shall be entitled, at The Regents' election, to damages equal to the amount necessary to compensate The Regents for all the detriment proximately caused by the Association's failure to perform the Association's obligations under this Lease, or which in the ordinary course of things would be likely to result therefrom. Such amount shall include, but not be limited to such expenses, including attorneys' fees and costs, as The Regents may have paid, assumed or incurred in recovering possession of the Common Area or of placing the Common Area in good order and condition.

(c) Strict Performance. The Regents may require strict performance of all covenants and obligations herein as the same shall accrue or become due and have a right of action therefor without awaiting the end of the term of this Lease. Nothing contained herein shall affect, change or waive any rights of The Regents to obtain equitable relief when such relief is otherwise appropriate or to obtain the relief provided by California Code of Civil Procedure sections 1159, et seq., relating to actions for unlawful detainer, forceable entry, or forceable detainer. If The Regents obtains possession of the Common Area under a judgment pursuant to section 1174 of the Code of Civil Procedure or if The Regents by written notice declares this Lease to be terminated because of the breach of this Lease, then The Regents may repossess and enjoy the Common Area, together with all additions, alterations and improvements thereto.

(d) No Waiver. The Regents' election to perform any obligation of the Association under this Lease or its refusal to do so shall not constitute a waiver of any right or a remedy for the Association's default, and the Association shall promptly reimburse, defend and indemnify

The Regents against all liability, loss and expense arising therefrom.

Section 4.03. Attorneys' Fees. In the event that either The Regents or the Association brings suit against the other to enforce rights under this Lease, each party shall bear the expense of their own attorneys' fees.

Section 4.04. Surrender of Property. Upon the expiration of the term of this Lease, including any extension thereof, or upon an earlier termination of this Lease, the Association shall quit and surrender the Common Area to The Regents without further obligation on the part of either party to this Lease, free and clear of all liens and encumbrances other than easements created by or with the approval of The Regents.

Section 4.05. Right to Remove Personal Property. Upon the expiration of the terms of this Lease or its earlier termination, the Association may remove any and all personal property from the Common Area. Any personal property not so removed within sixty (60) days shall become the property of The Regents.

Section 4.06. Condemnation. Subject to the provisions of Article XIV of the CC&Rs, the following shall apply:

(a) Total Taking. If during the term hereof a public authority shall take under the power of eminent domain all or substantially all of the Common Area, then the leasehold estate of the Association in and to the Common Area shall cease and terminate as of the date the actual physical possession thereof shall be taken.

(b) Partial Taking. If during the term of this Lease there shall be a taking of a portion of the Common Area by a public authority under the power of eminent domain, this Lease shall terminate as to the portion of the Common Area taken as of the date upon which actual possession is taken pursuant to said eminent domain proceedings but the Lease shall continue in force and effect as to the remainder of the Common Area. There shall be no abatement of rent as the result of a partial taking.

(c) Award. All compensation and damages awarded for the taking of the Common Area or any portion thereof shall belong to and be the sole property of The Regents, and the Association shall not have any claim or be entitled to any award for diminution of value of its leasehold hereunder or for the value of any unexpired term of this Lease; provided, however, that the Association shall be entitled to any award that may be made for the taking of or injury to any improvements installed and constructed upon the Common Area

at the expense of the Association, or on account of any cost of loss the Association may sustain in the removal of the Association's fixtures, equipment and furnishings, or as a result of any alterations, modifications or repairs which may be reasonably required by the Association in order to place the remaining portion of the Common Area not so condemned in a suitable condition for the continuance of the Association's tenancy.

(d) Voluntary Conveyance. A voluntary conveyance by The Regents to a public authority under threat of eminent domain in lieu of formal proceedings shall be deemed a taking within the meaning of this Article.

ARTICLE V
MISCELLANEOUS PROVISIONS

Section 5.01. Safety and Health. The Association will comply with all laws and regulations promulgated by all relevant governmental authorities, including but not limited to the requirements of the Occupational Health and Safety Act of 1970 and any analogous California legislation (collectively "OSHA") to the extent that OSHA applies to the Common Area and any activities thereon. Without limiting the generality of the foregoing, the Association will maintain any work area, all machinery, structures, electrical facilities and the like upon the Common Area in a condition that fully complies with the requirements of OSHA. The Association shall indemnify and hold harmless The Regents from any liability, claims or damages arising as a result of a breach of this section and from all costs, expenses and charges arising therefrom including, without limitation, attorneys' fees and court costs incurred by The Regents.

Section 5.02. Memorandum of Lease. Concurrently with the execution of this Lease, the parties shall execute and acknowledge a memorandum of this Lease for the purpose of recording that document in the office of the Santa Barbara County Recorder. Such memorandum shall contain a description of the Common Area, the names of The Regents and the Association, and the term of this Lease.

Section 5.03. Binding Effect. The provisions of this Lease shall bind the successors and assigns hereof, provided that this section 5.03 shall not be deemed to authorize or permit the assignment of any interest in the Common Area other than in strict compliance with the provisions of this Lease.

Section 5.04. Notices.

(a) All notices required to be given under this Lease shall be in writing and shall be deemed to have been given when hand delivered to the addressee or deposited in the United States mail properly addressed to the addressee with postage prepaid in certified or registered form, return receipt requested.

(b) All notices to The Regents shall be delivered or mailed to The Regents of the University of California, Office of the Treasurer, 615 University Hall, 2199 Addison Street, Berkeley, California 94720, with a copy to the Faculty Housing Manager, University of California, Santa Barbara, California, or to such other address as The Regents may, by notice hereunder, from time to time by notice direct.

(c) All notices to the Association shall be delivered or mailed to the Association, c/o the Faculty Housing Coordinator, University of California, Santa Barbara, California, or to such other address as the Association may from time to time by notice direct.

Section 5.05. Time of the Essence. The parties agree that time is of the essence of this Lease, and, accordingly, time limits stated in this Lease shall be strictly observed.

Section 5.06. Nonmerger of Fee and Leasehold Estates. If under any circumstances both The Regents' fee interest in the Common Area and any subordinate leasehold interest in the Common Area become vested in the same owner, the Lease shall not be extinguished by application of the doctrine of merger except at the express election of such owner.

Section 5.07. Captions, Gender and Number.

(a) The captions used in this Lease are for convenience only and are not a part of this Lease and do not in any way limit or amplify its terms or provisions.

(b) As used in this Lease, the use of one gender shall include the other and the use of the singular shall include the plural, and vice versa, as the context may require.

Section 5.08. Governing Law and Construction. This Lease shall be construed and interpreted in accordance with and governed by the laws of the State of California. The language in all parts of this Lease shall be construed according to its fair meaning and not strictly for or against The Regents or the Association.

Section 5.09. Unenforceability or Invalidity of Provision. If and to the extent that any provision of this Lease should be found invalid, void, or unenforceable by a court of competent jurisdiction, or so rendered by legislative or administrative action, the validity of the remainder of this Lease shall not be affected and shall remain in full force and effect as if this Lease had been executed with the portion held to be invalid, void, or unenforceable eliminated. To accomplish the intentions of the parties as expressed in this Lease, the parties shall, if necessary, conclude an amendment to this Lease, on terms that are reasonable and which will accomplish as nearly as possible the original intention of the parties as reflected in the portion held to be invalid, void, or unenforceable.

Section 5.10. Entire Agreement; Amendments. This Lease contains all of the agreements between The Regents and the Association relating in any manner to the subject matter of this Lease. No prior agreement or understanding with respect to the same shall be valid or of any force or effect, and no provision of this Lease shall be altered or added to, except in writing, signed by The Regents and the Association. No representation, inducement, or understanding of any nature made, stated, or represented on behalf of either party to this Lease, either orally or in writing, has induced the other party to enter into this Lease, except as set forth herein.

Section 5.11. Assignment and Delegation by The Regents. Notwithstanding any other provision of this Lease, The Regents reserves the right to assign and delegate its rights and duties under this Lease.

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date first above written.

THE REGENTS OF THE UNIVERSITY
OF CALIFORNIA

BY Robert J. [Signature]
Vice Chancellor, Administrative Affairs

WEST CAMPUS POINT
HOMEOWNERS' ASSOCIATION

BY E. [Signature]
President

EXHIBIT "A" TO
COMMON AREA LEASE

DESCRIPTION AND/OR MAP OF PREMISES

EXHIBIT "A"

That certain real property in the county of Santa Barbara, State of California, being a portion of the Rancho Los Dos Pueblos, according to the patent thereof recorded in Book A, Page 323 of Patents, as shown on a Record of Survey of the Devereux School property, filed in Book 83, Page 92 of Records of Survey, records of said County, described as follows:

Commencing at the northeast corner of the 221.47 acre tract as shown on said Record of Survey;

Thence S. $0^{\circ} 00' 54''$ W. along the east line of said 221.47 acre tract for 1672.24 feet to the true point of beginning;

Thence 1st, S. $0^{\circ} 00' 54''$ W. continuing along said east line for 636.40 feet;

Thence 2nd, N. $85^{\circ} 21' 23''$ W. for 776.37 feet;

Thence 3rd, N. $44^{\circ} 08' 43''$ W. for 114.07 feet to a point on the 32.95 acres parcel as shown on said Record of Survey;

Thence 4th, N. $45^{\circ} 50' 05''$ E. for 197.82 feet to the beginning of a non tangent curve to the left having a delta of $43^{\circ} 25' 44''$ and a radius of 175.00 feet, the radial center of which bears N. $44^{\circ} 11' 32''$ W.;

Thence 5th, Northwesterly along the arc of said curve for 132.65 feet;

Thence 6th, N. $2^{\circ} 17' 09''$ E. for 116.93 feet to a non tangent curve to the left having a delta of $24^{\circ} 21' 22''$ and a radius of 350.00 feet, the radial center of which bears N. $87^{\circ} 39' 43''$ W.;

Thence 7th, Northwesterly along the arc of said curve for 148.78 feet;

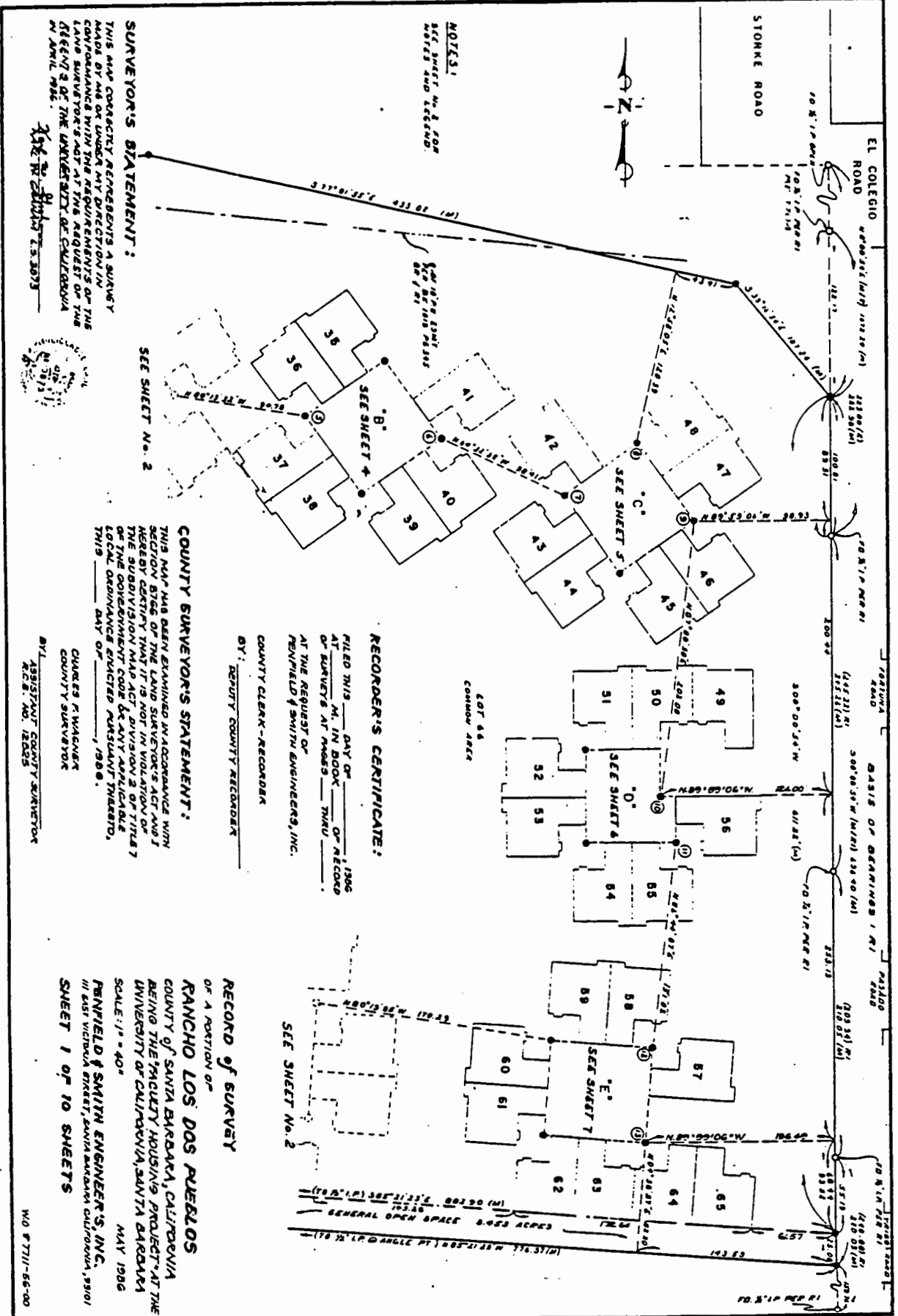
Thence 8th, N. $25^{\circ} 51' 38''$ E. for 76.89 feet;

Thence 9th, North for 67.97 feet;

Thence 10th, N. $84^{\circ} 00' 53''$ E. for 156.69 feet;

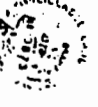
Thence 11th, S. $77^{\circ} 01' 55''$ E. for 433.02 feet;

Thence 12th, S. $39^{\circ} 16' 54''$ E. for 107.24 feet to the point of beginning.



NOTES:
 SEE SHEET NO. 2 FOR
 NOTES AND SECTION.

SURVEYOR'S STATEMENT:
 THIS MAP CORRECTLY REPRESENTS A SURVEY
 MADE BY ME OR UNDER MY DIRECTION IN
 COMPLIANCE WITH THE REQUIREMENTS OF THE
 LAWS SURVEYOR'S ACT AT THE REQUEST OF THE
 OFFICERS OF THE UNIVERSITY OF CALIFORNIA
 IN APRIL 1986.
 PENFIELD & SMITH ENGINEERS, INC.
 1527 W. 21ST ST. SUITE 23073



SEE SHEET NO. 2

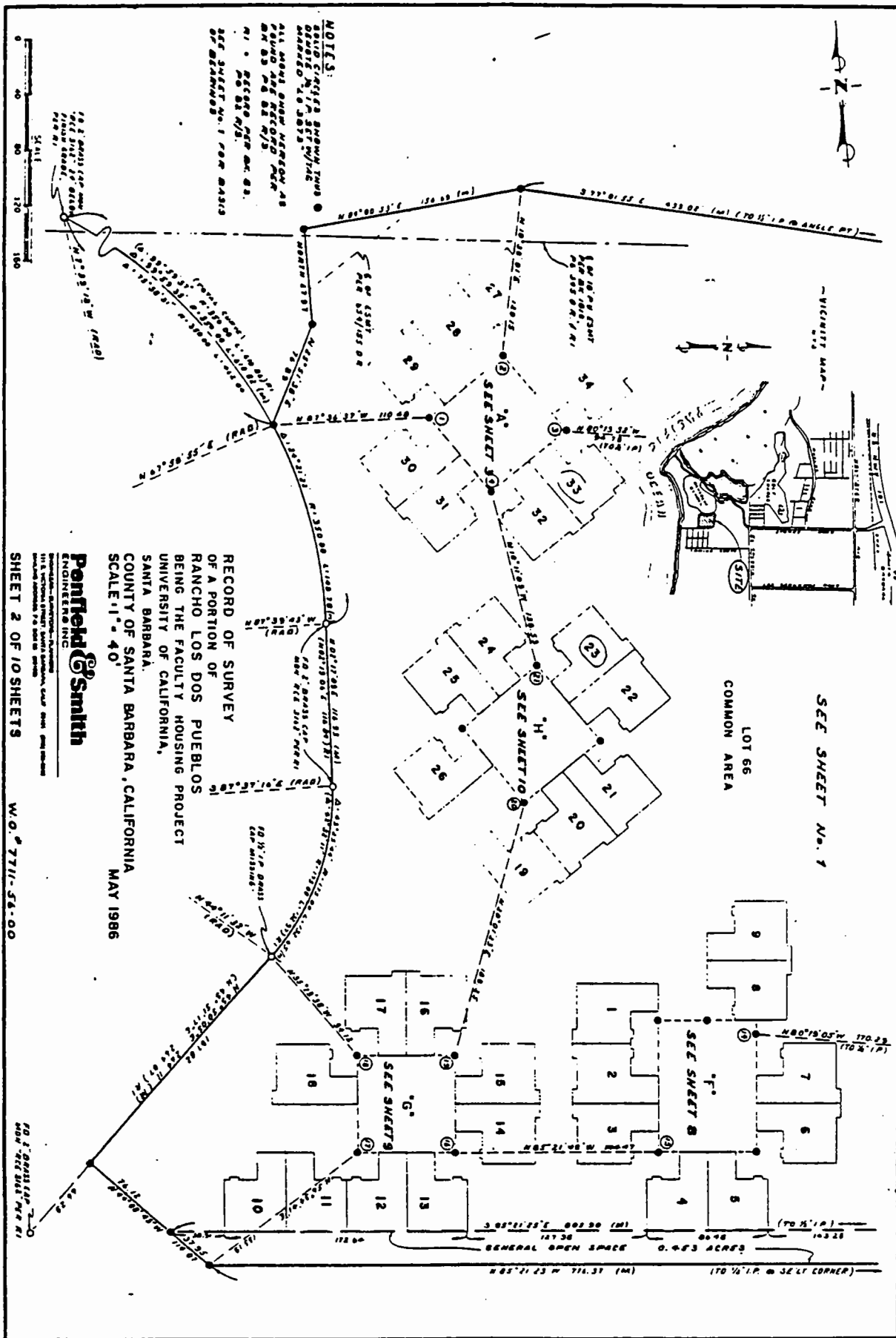
COUNTY SURVEYOR'S STATEMENT:
 THIS MAP HAS BEEN EXAMINED IN ACCORDANCE WITH
 SECTION 8160 OF THE LAND SURVEYOR'S ACT AND I
 HEREBY CERTIFY THAT IT IS NOT IN VIOLATION OF THE
 PROVISIONS OF SAID ACT AND THAT THE SURVEYOR'S
 ACT AND THE REQUIREMENTS OF THE LAWS SURVEYOR'S
 ACT HAVE BEEN FULLY COMPLIED WITH.
 THIS DAY OF _____, 1986.
 CHARLES F. WALSNER
 COUNTY SURVEYOR

BY: _____
 ASSISTANT COUNTY SURVEYOR
 R.C.B. NO. 12825

RECORDER'S CERTIFICATE:
 FILED THIS _____ DAY OF _____, 1986
 AT _____ M. IN BOOK _____ OF RECORD
 OF SURVEYS AT _____ THRU _____
 AT THE REQUEST OF
 PENFIELD & SMITH ENGINEERS, INC.
 COUNTY CLERK - RECORDER
 BY: _____
 DEPUTY COUNTY RECORDER

RECORD OF SURVEY
 OF A PORTION OF
RANCHO LOS DOS PUEBLOS
 COUNTY OF SANTA BARBARA, CALIFORNIA
 BEING THE FACILITY HOUSING PROJECT AT THE
 UNIVERSITY OF CALIFORNIA, SANTA BARBARA
 SCALE: 1" = 40'
 PENFIELD & SMITH ENGINEERS, INC.
 11835 VICTORIA STREET, SANTA BARBARA, CALIFORNIA 93101
 MAY 1986
 SHEET 1 OF 10 SHEETS

NO. 87711-66-00

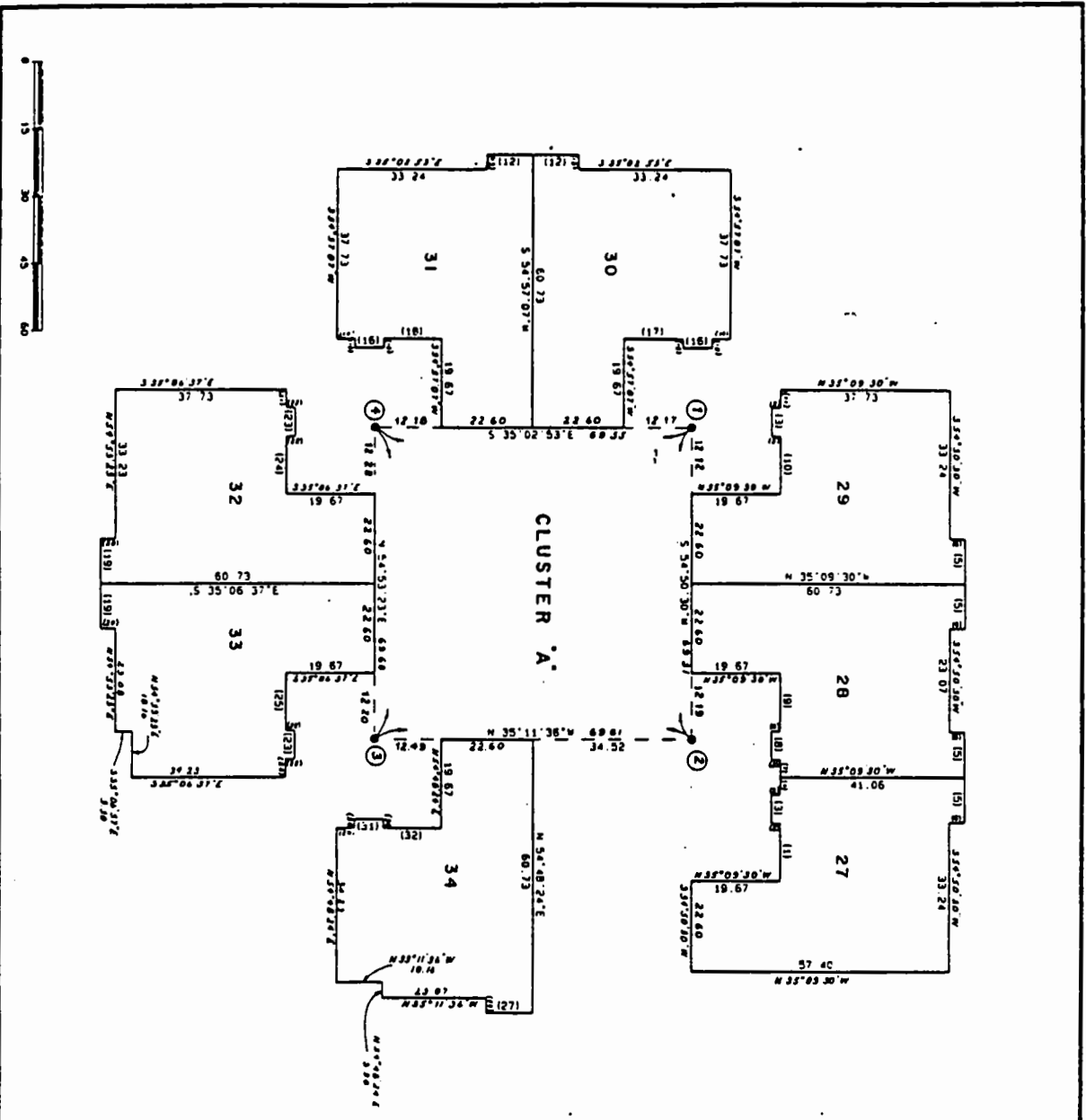


NOTICE:
 THIS SURVEY WAS MADE BY THE SURVEYOR ON THE 15th DAY OF MAY, 1986. ALL WORK WAS DONE IN ACCORDANCE WITH THE PROFESSIONAL SURVEYING ACT AND THE RECORD ACT. THE SURVEYOR'S OFFICE IS LOCATED AT 1000 W. 10th ST., SANTA BARBARA, CALIF. 93101. THE SURVEYOR'S LICENSE NO. IS 10000. THE SURVEYOR'S SIGNATURE IS ON SHEET NO. 1 FOR THIS SURVEY.

RECORD OF SURVEY
 OF A PORTION OF
 RANCHO LOS DOS PUEBLOS
 BEING THE FACULTY HOUSING PROJECT
 UNIVERSITY OF CALIFORNIA,
 SANTA BARBARA,
 COUNTY OF SANTA BARBARA, CALIFORNIA
 SCALE: 1" = 40'
 MAY 1986

Pentfield & Smith
 ENGINEERS INC.
 1114 W. WASHINGTON ST. SANTA BARBARA, CALIF. 93101
 SHEET 2 OF 10 SHEETS
 W.O. # 7711-56-00

Exhibit "A"



NOTES:
 SEE SHEET No. 1 FOR BASIS OF BEARINGS.
 SEE SHEET No. 2 FOR NOTES AND LEGEND.

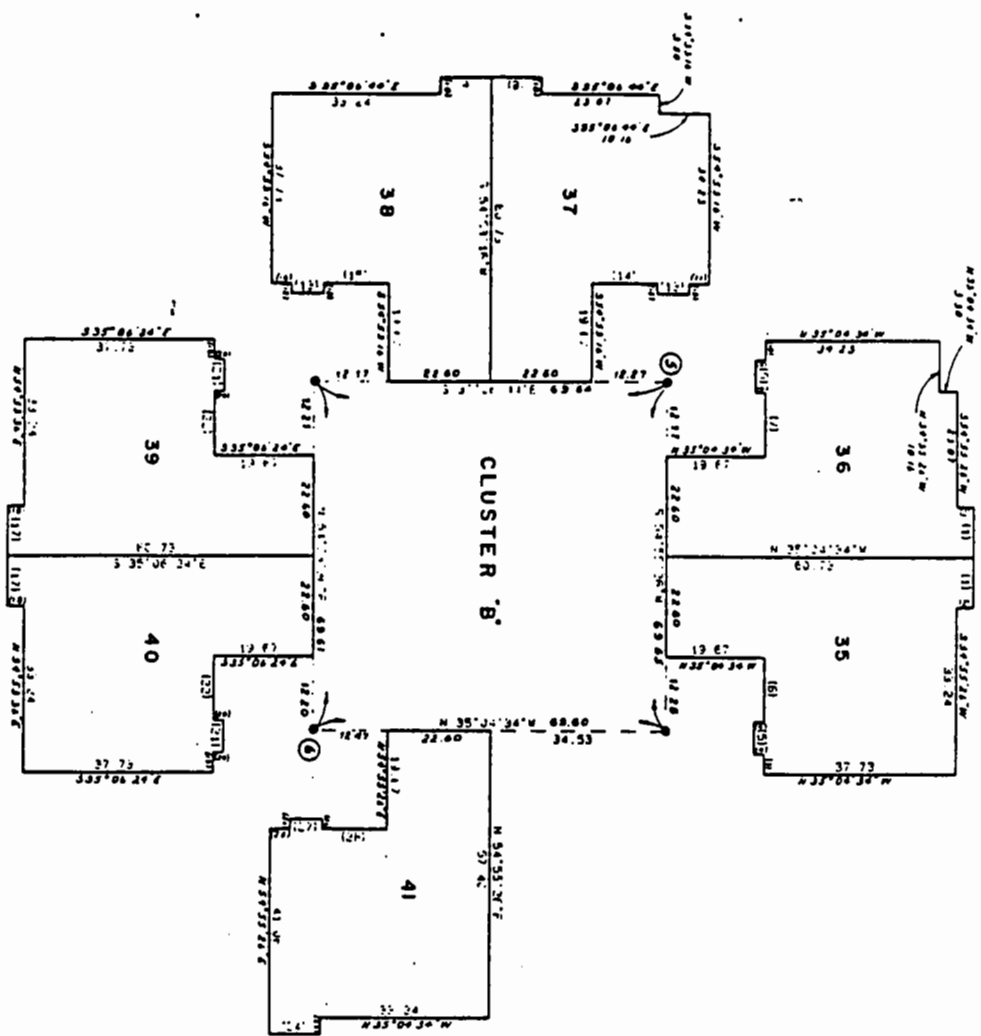
CLUSTER "A"
 RECORD OF SURVEY
 OF A PORTION OF
 RANCHO LOS DOS PUEBLOS
 BEING THE FACULTY HOUSING PROJECT
 UNIVERSITY OF CALIFORNIA,
 SANTA BARBARA.
 COUNTY OF SANTA BARBARA, CALIFORNIA
 SCALE: 1" = 15'
 MAY 1986

Pentfield & Smith
 ENGINEERS INC.
 1114 N. MICHIGAN STREET, SANTA BARBARA, CALIF. 93101
 PHONE (805) 965-1114
 FAX (805) 965-1114

SHEET 3 OF 10 SHEETS

TANGENT TABLE

NO.	DISTANCE	BEARING
1	1043	S 54°50'30"W
2	200	S 25°08'30"E
3	836	S 54°50'30"W
4	383	S 54°50'30"W
5	1000	M 54°50'30"E
6	333	S 25°08'30"E
7	82	S 54°50'30"W
8	640	S 54°50'30"W
9	1025	S 54°50'30"W
10	401	S 54°50'30"W
11	1000	M 25°02'53"W
12	333	M 54°57'07"E
13	400	S 25°02'53"E
14	200	M 54°57'07"E
15	840	S 25°02'53"E
16	840	S 25°02'53"E
17	1024	S 25°02'53"E
18	1001	S 54°53'23"W
19	333	M 25°06'57"W
20	380	M 54°53'23"E
21	200	M 25°06'57"W
22	840	M 25°06'57"W
23	1024	M 54°53'23"E
24	400	M 54°53'23"E
25	400	M 54°53'23"E
26	1017	S 25°11'36"E
27	333	S 54°46'24"W
28	337	M 25°11'36"W
29	200	S 54°46'24"W
30	840	M 25°11'36"W
31	840	M 25°11'36"W
32	1023	M 25°11'36"W



TANGENT TABLE

NO.	DISTANCE	BEARING
1	10.01	N 54° 55' 26" E
2	3.33	S 35° 04' 34" E
3	4.00	S 54° 55' 26" W
4	2.00	S 35° 04' 34" E
5	6.40	S 54° 55' 26" W
6	10.40	S 54° 55' 26" W
7	10.40	S 54° 55' 26" W
8	4.04	S 54° 55' 26" W
9	10.00	N 35° 06' 44" W
10	3.33	N 54° 53' 16" E
11	4.00	S 35° 06' 44" E
12	2.00	N 54° 53' 16" E
13	6.40	S 35° 06' 44" E
14	10.40	S 35° 06' 44" E
15	10.40	S 35° 06' 44" E
16	3.98	S 35° 06' 44" E
17	10.00	S 54° 53' 26" W
18	3.33	N 35° 06' 24" W
19	4.00	N 54° 53' 26" E
20	2.00	N 35° 06' 24" W
21	6.40	N 54° 53' 26" E
22	10.40	N 54° 53' 26" E
23	3.33	N 54° 55' 26" E
24	10.17	S 35° 04' 34" E
25	4.02	N 35° 04' 34" E
26	2.00	S 54° 55' 26" W
27	6.40	N 35° 04' 34" E
28	10.38	N 35° 04' 34" E

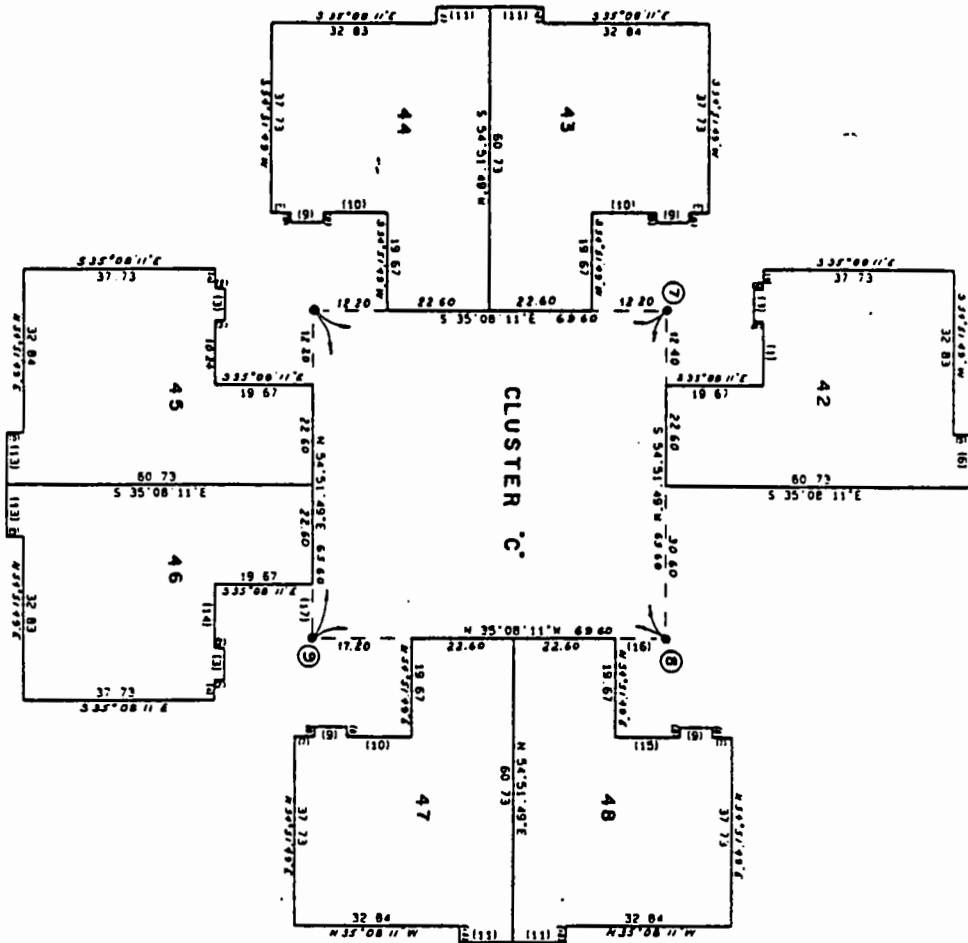
NOTES:
 SEE SHEET No. 1 FOR BASIS OF BEARINGS
 SEE SHEET No. 2 FOR NOTES AND LEGEND

CLUSTER "B"
 RECORD OF SURVEY
 OF A PORTION OF
 RANCHO LOS DOS PUEBLOS
 BEING THE FACULTY HOUSING PROJECT
 UNIVERSITY OF CALIFORNIA,
 SANTA BARBARA.
 COUNTY OF SANTA BARBARA, CALIFORNIA
 SCALE: 1" = 15'
 MAY 1986

Penfield & Smith
 ENGINEERS INC.
 111 E. VICTORIA STREET, SANTA BARBARA, CALIF. 93101
 PHONE (805) 965-1111 FAX (805) 965-1112

SHEET 4 OF 10 SHEETS

W.O. 7711-53-00



ANGENT TABLE

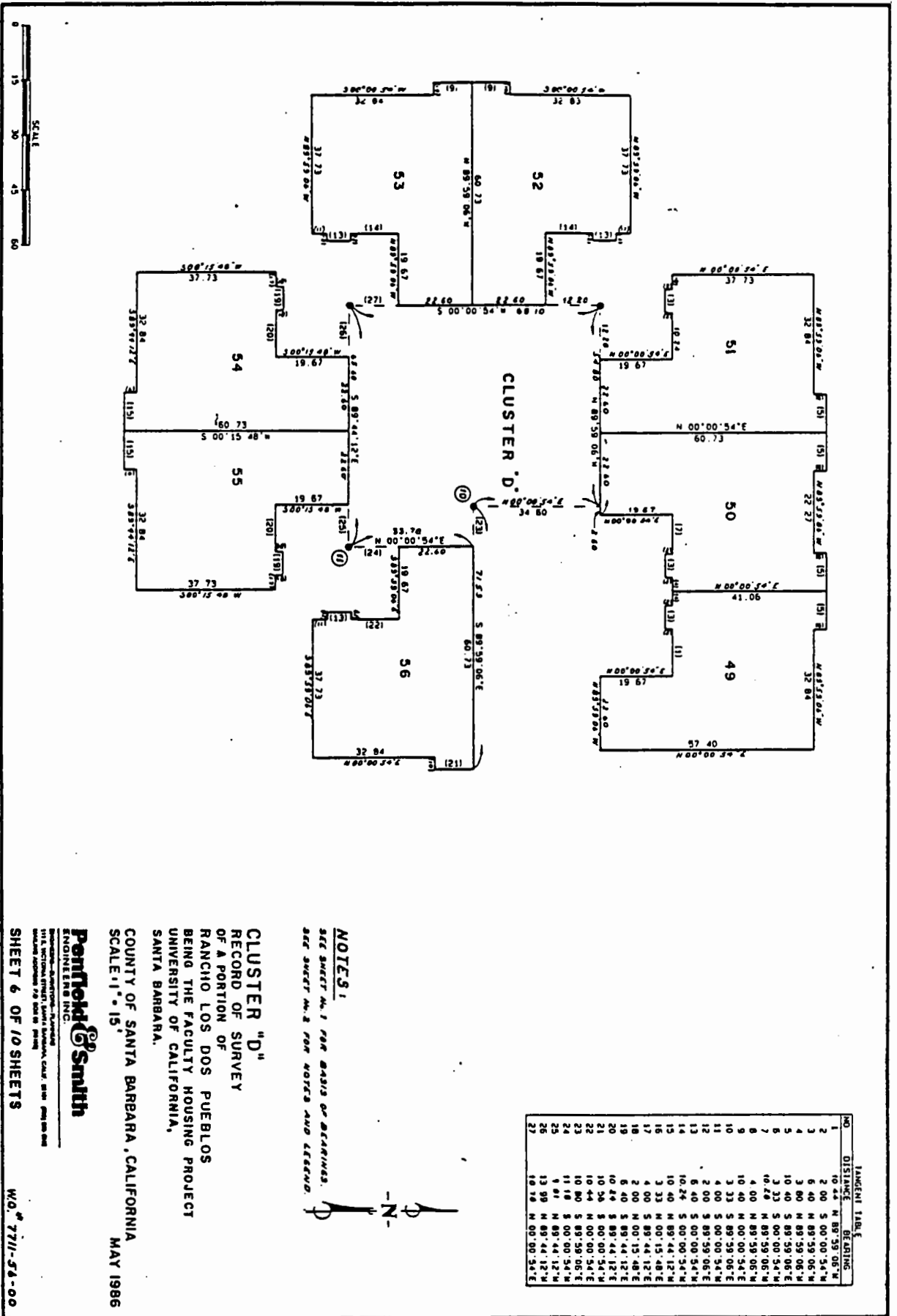
NO.	DISTANCE	BEARING
1	10.40	S 54° 51' 49" W
2	2.00	S 35° 08' 11" E
3	6.40	S 54° 51' 49" W
4	4.00	S 54° 51' 49" W
5	3.33	N 35° 08' 11" W
6	10.57	N 54° 51' 49" E
7	4.00	S 35° 08' 11" E
8	2.00	N 54° 51' 49" E
9	6.40	S 35° 08' 11" E
10	10.24	S 35° 08' 11" E
11	10.41	N 35° 08' 11" W
12	3.33	N 54° 51' 49" E
13	10.41	S 54° 51' 49" E
14	10.24	N 54° 51' 49" E
15	10.24	N 35° 08' 11" W
16	7.40	S 35° 08' 11" E
17	7.40	S 54° 51' 49" W



NOTES:
 SEE SHEET No. 1 FOR BASIS OF BEARINGS.
 SEE SHEET No. 2 FOR NOTES AND LEGEND

CLUSTER "C"
 RECORD OF SURVEY
 OF A PORTION OF
 RANCHO LOS DOS PUEBLOS
 BEING THE FACULTY HOUSING PROJECT
 UNIVERSITY OF CALIFORNIA,
 SANTA BARBARA,
 COUNTY OF SANTA BARBARA, CALIFORNIA
 SCALE: 1" = 15'
 MAY 1986

Penfield & Smith
 ENGINEERS INC.
 111 E. WILSON STREET, SANTA BARBARA, CALIF. 93101 (805) 964-4444
 LICENSE NUMBER 98 000 00 0000
 SHEET 5 OF 10 SHEETS
 W.O. # 7711-54-00



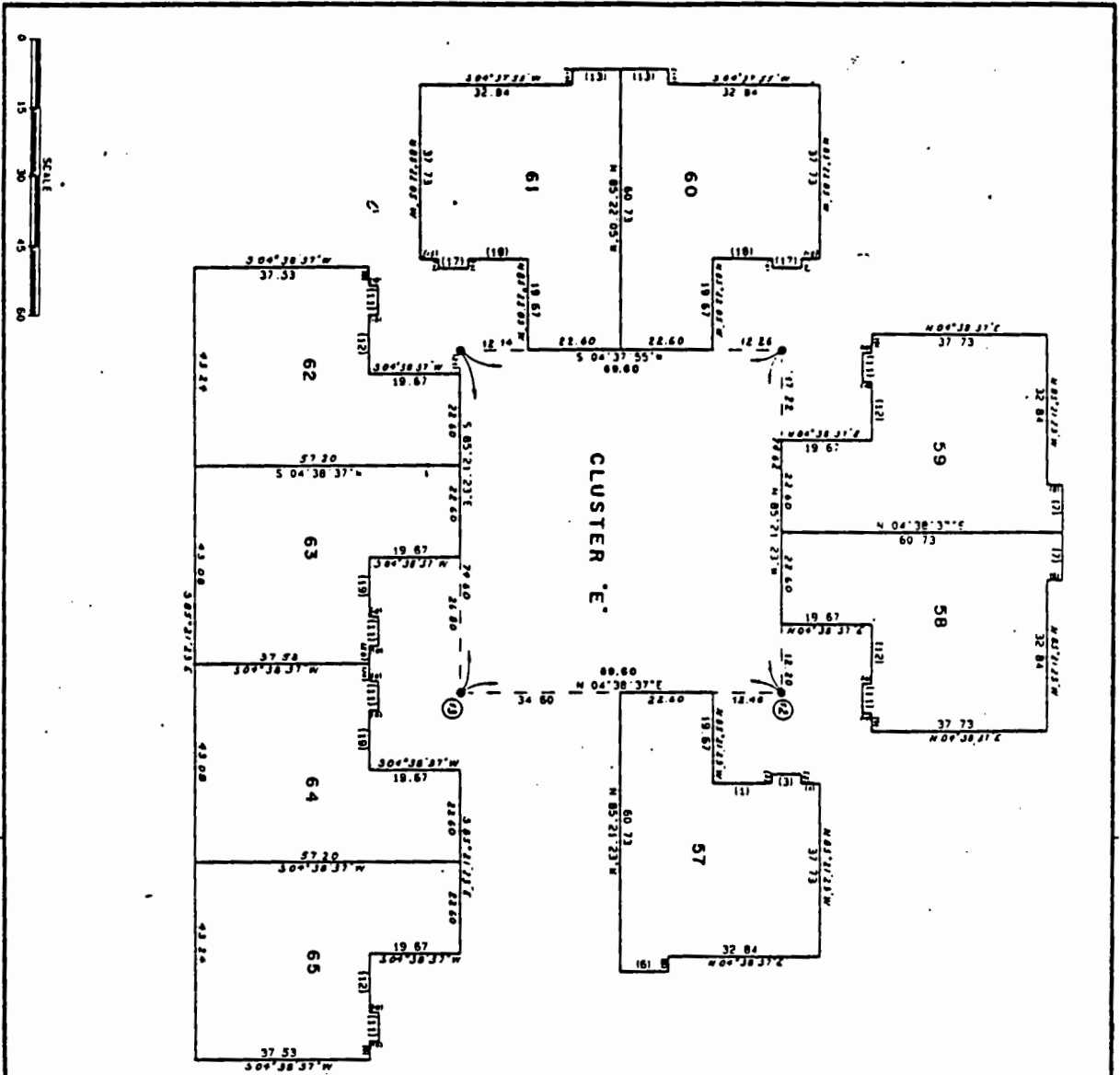
LANDMETER TABLE

NO.	DISTANCE	BEARING
1	3 00	S 00° 00' 00" E
2	3 00	N 89° 59' 06" W
3	3 00	N 89° 59' 06" W
4	3 00	N 89° 59' 06" W
5	3 00	N 89° 59' 06" W
6	3 00	N 89° 59' 06" W
7	3 00	N 89° 59' 06" W
8	3 00	N 89° 59' 06" W
9	3 00	N 89° 59' 06" W
10	3 00	N 89° 59' 06" W
11	3 00	N 89° 59' 06" W
12	3 00	N 89° 59' 06" W
13	3 00	N 89° 59' 06" W
14	3 00	N 89° 59' 06" W
15	3 00	N 89° 59' 06" W
16	3 00	N 89° 59' 06" W
17	3 00	N 89° 59' 06" W
18	3 00	N 89° 59' 06" W
19	3 00	N 89° 59' 06" W
20	3 00	N 89° 59' 06" W
21	3 00	N 89° 59' 06" W
22	3 00	N 89° 59' 06" W
23	3 00	N 89° 59' 06" W
24	3 00	N 89° 59' 06" W
25	3 00	N 89° 59' 06" W
26	3 00	N 89° 59' 06" W
27	3 00	N 89° 59' 06" W

NOTES:
 SEE SHEET No. 1 FOR BASIS OF BEARINGS.
 SEE SHEET No. 2 FOR NOTES AND LEGEND.

CLUSTER "D"
 RECORD OF SURVEY
 OF A PORTION OF
 RANCHO LOS DOS PUEBLOS
 BEING THE FACULTY HOUSING PROJECT
 UNIVERSITY OF CALIFORNIA,
 SANTA BARBARA.
 COUNTY OF SANTA BARBARA, CALIFORNIA
 SCALE: 1" = 15'
 MAY 1986

Penfold & Smith
 ENGINEERS INC.
 111 E. NATIONAL STREET, SANTA BARBARA, CALIF. 93101
 PHONE: (805) 965-1200
 SHEET 6 OF 10 SHEETS
 W.O. # 7711-51-00



INCIDENT TABLE

NO.	DISTANCE	BEARING
1	10.40	N 04° 38' 37" E
2	2.00	N 85° 21' 23" W
3	6.40	M 04° 38' 37" E
4	3.00	M 04° 38' 37" E
5	3.23	S 85° 21' 23" E
6	10.57	S 04° 38' 37" W
7	10.40	S 85° 21' 23" E
8	3.33	S 04° 38' 37" W
9	4.00	M 85° 21' 23" W
10	2.00	S 04° 38' 37" W
11	6.40	M 85° 21' 23" W
12	10.24	M 85° 21' 23" W
13	4.00	S 85° 22' 05" E
14	3.33	S 85° 22' 05" E
15	5.00	S 04° 37' 55" W
16	2.00	S 85° 22' 05" E
17	6.40	S 04° 37' 55" W
18	10.44	S 85° 21' 23" E
19	3.80	S 85° 21' 23" E
20	2.40	M 85° 21' 23" W
21		

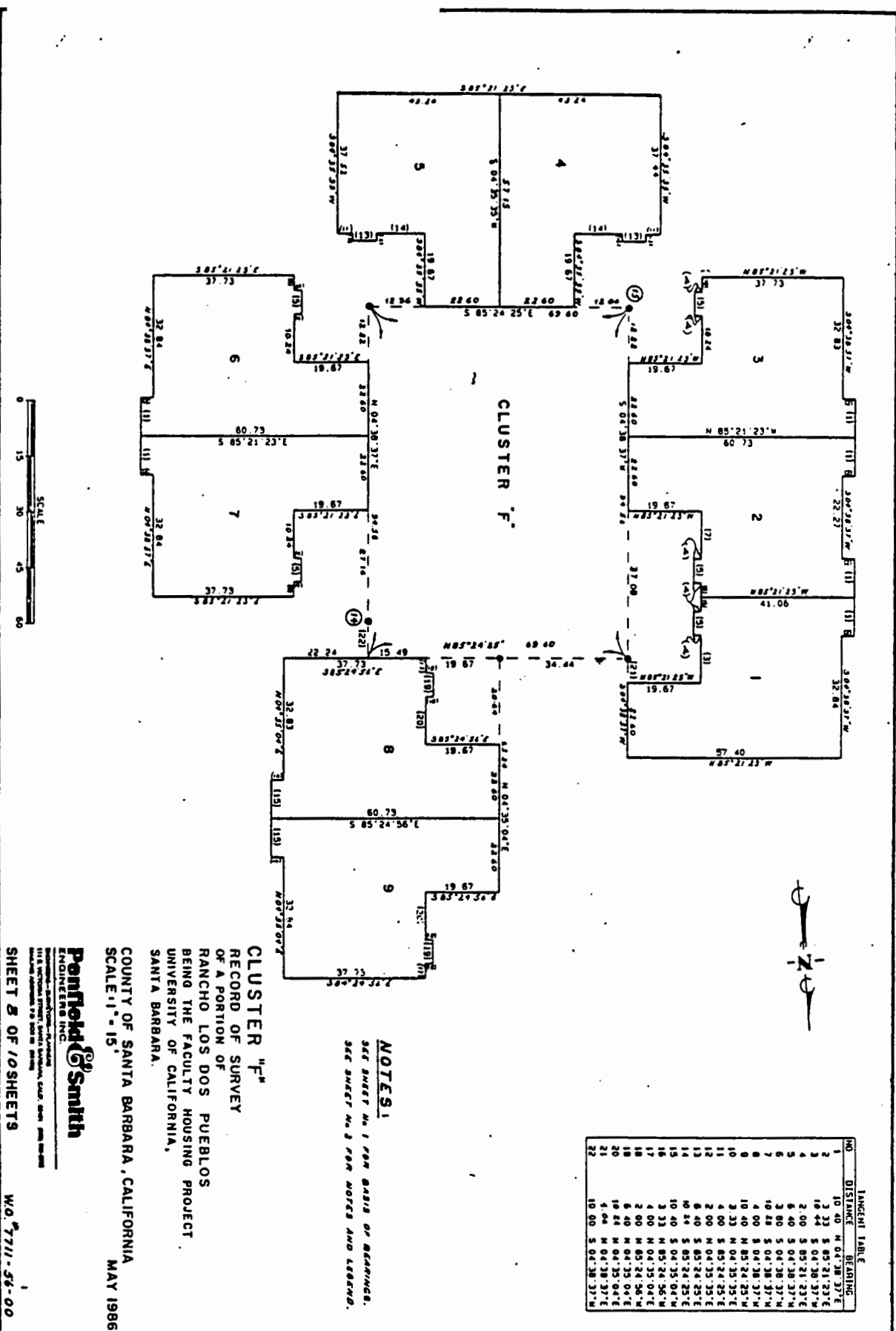
NOTES:
 SEE SHEET NO. 1 FOR BASIS OF BEARINGS.
 SEE SHEET NO. 2 FOR NOTES AND LEGEND.

CLUSTER 'E'
 RECORD OF SURVEY
 OF A PORTION OF
 RANCHO LOS DOS PUEBLOS
 BEING THE FACULTY HOUSING PROJECT
 UNIVERSITY OF CALIFORNIA,
 SANTA BARBARA.

COUNTY OF SANTA BARBARA, CALIFORNIA
 SCALE 1" = 15'
 MAY 1986

Penfield & Smith
 ENGINEERS INC.
 1115 WEST WASHINGTON STREET, SUITE 200
 SANTA BARBARA, CALIFORNIA 93101
 SHEET 7 OF 10 SHEETS

WD 7711-53-00



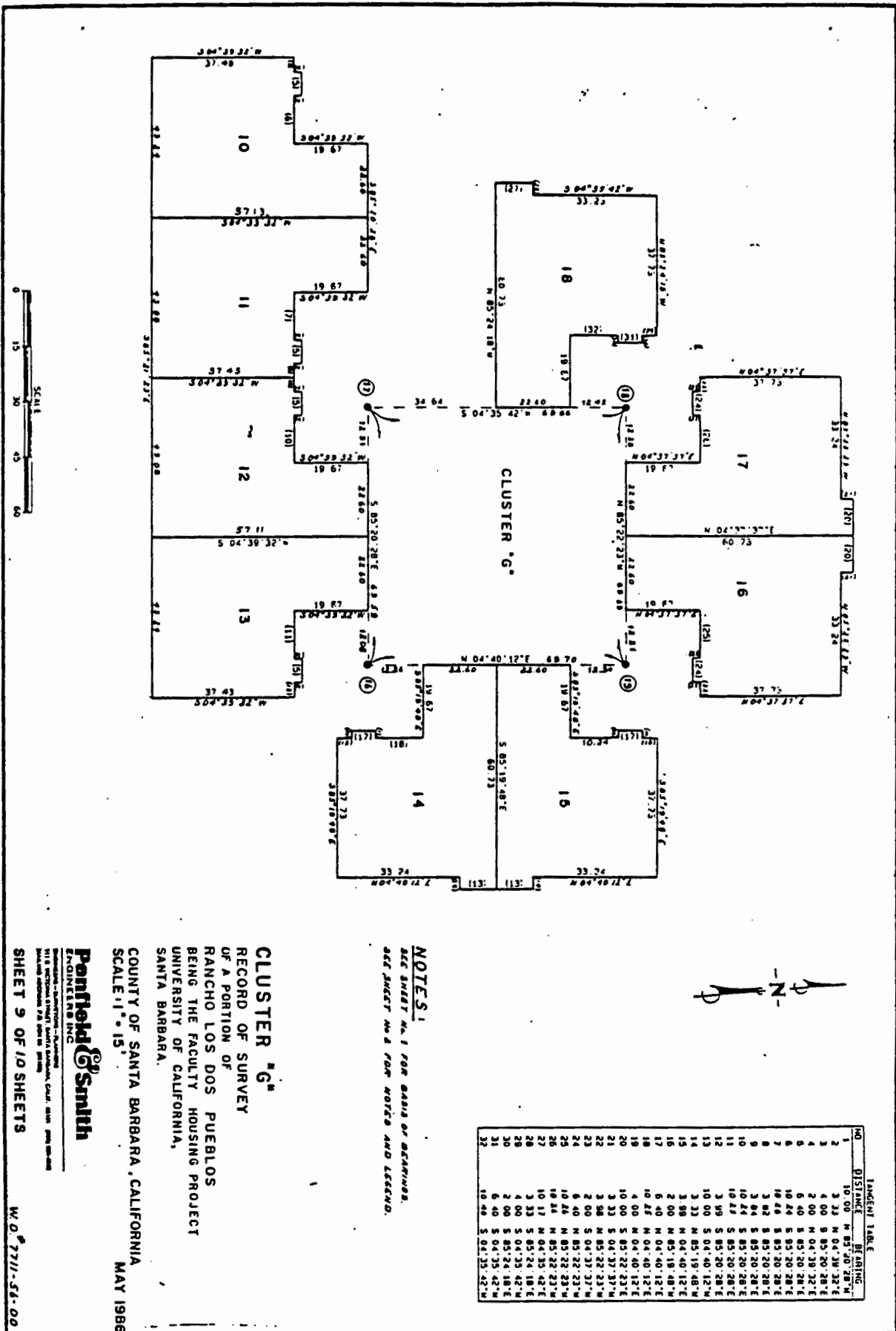
TRAVEL TABLE

NO.	DISTANCE	BEARING
1	10.40	N 04° 38' 37" E
2	1.22	S 83° 51' 23" E
3	5.08	N 04° 38' 37" E
4	2.00	S 83° 51' 23" E
5	3.40	S 04° 38' 37" W
6	4.80	S 04° 38' 37" W
7	4.00	N 85° 24' 25" E
8	10.40	N 85° 24' 25" E
9	1.30	N 04° 35' 35" E
10	2.00	N 04° 35' 35" E
11	2.00	N 04° 35' 35" E
12	6.40	S 83° 24' 25" E
13	40.54	S 83° 24' 25" E
14	10.40	N 04° 35' 04" E
15	3.33	N 85° 24' 25" E
16	1.00	N 04° 35' 04" E
17	2.00	N 85° 24' 25" E
18	6.40	N 04° 35' 04" E
19	19.84	N 04° 35' 04" E
20	4.64	N 04° 38' 37" E
21	10.00	S 04° 38' 37" W
22		

NOTES:
 SEE SHEET NO. 1 FOR BASIS OF BEARINGS.
 SEE SHEET NO. 2 FOR NOTES AND LEGEND.

CLUSTER "F"
 RECORD OF SURVEY
 OF A PORTION OF
 RANCHO LOS DOS PUEBLOS
 BEING THE FACULTY HOUSING PROJECT
 UNIVERSITY OF CALIFORNIA,
 SANTA BARBARA.
 COUNTY OF SANTA BARBARA, CALIFORNIA
 SCALE: 1" = 15'
 MAY 1986

Penfield & Smith
 ENGINEERS INC.
 1114 VICTORIA STREET, SANTA BARBARA, CALIF. 93101
 PHONE: (805) 965-1114
 SHEET 2 OF 10 SHEETS W.O. 7711-56-00



LEGEND TABLE

NO.	DISTANCE	BEARING
1	10.00	N 85° 20' 28" W
2	3.33	N 04° 38' 32" E
3	4.00	S 85° 20' 28" E
4	2.00	N 04° 38' 32" E
5	6.40	S 85° 20' 28" E
6	10.44	S 85° 20' 28" E
7	10.44	S 85° 20' 28" E
8	3.82	S 85° 20' 28" E
9	3.82	S 85° 20' 28" E
10	10.44	S 85° 20' 28" E
11	10.44	S 85° 20' 28" E
12	3.99	S 04° 40' 12" W
13	10.00	S 04° 40' 12" W
14	3.33	M 85° 19' 48" W
15	3.98	M 04° 40' 12" E
16	2.00	M 85° 19' 48" W
17	6.40	M 04° 40' 12" E
18	10.44	M 04° 40' 12" E
19	4.00	M 04° 40' 12" E
20	10.00	S 85° 22' 23" E
21	3.33	S 04° 37' 37" W
22	3.58	M 85° 22' 23" E
23	2.00	S 04° 37' 37" W
24	6.40	M 85° 22' 23" E
25	10.44	M 85° 22' 23" E
26	10.44	M 85° 22' 23" E
27	10.11	M 04° 35' 42" E
28	3.33	S 85° 24' 18" E
29	4.00	S 04° 35' 42" W
30	2.00	S 85° 24' 18" E
31	6.40	S 04° 35' 42" W
32	10.44	S 04° 35' 42" W

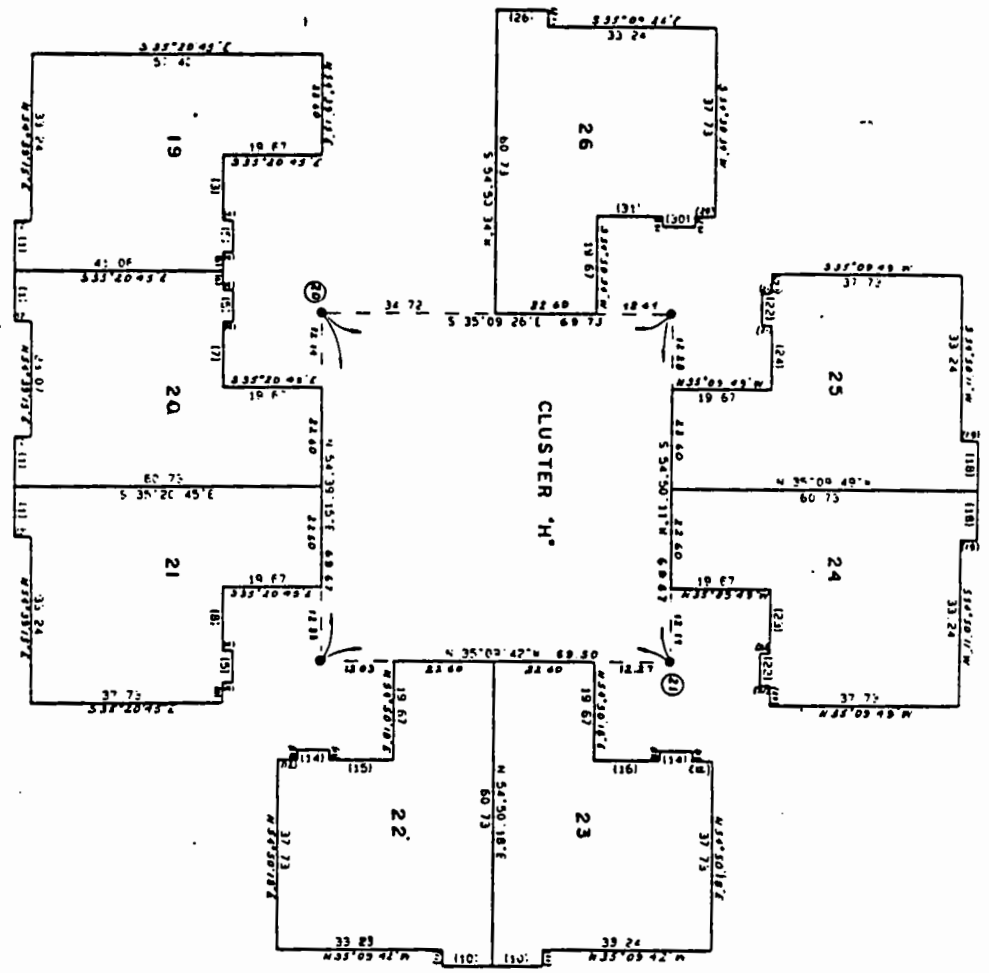
NOTES:
 SEE SHEET No. 1 FOR BASIS OF BEARINGS.
 SEE SHEET No. 2 FOR NOTES AND LEGEND.

CLUSTER "G"
 RECORD OF SURVEY
 OF A PORTION OF
 RANCHO LOS DOS PUEBLOS
 BEING THE FACULTY HOUSING PROJECT
 UNIVERSITY OF CALIFORNIA,
 SANTA BARBARA.
 COUNTY OF SANTA BARBARA, CALIFORNIA
 SCALE 1" = 15'
 MAY 1986

Panfield & Smith
 ENGINEERS INC.
 1115 W. SANTA BARBARA AVENUE, SUITE 1000, SANTA BARBARA, CALIFORNIA 93101
 PHONE (805) 964-1111 FAX (805) 964-1112

SHEET 9 OF 10 SHEETS

W.O. 7711-5A-00



ANGULAR TABLE

NO.	DISTANCE	BEARING
1	10.00	S 54° 39' 15" W
2	3.33	N 35° 20' 45" E
3	10.42	N 54° 39' 15" E
4	7.00	N 35° 20' 45" W
5	6.40	N 54° 39' 15" E
6	3.82	N 35° 20' 45" W
7	10.42	N 54° 39' 15" E
8	7.85	N 35° 20' 45" W
9	10.91	S 23° 08' 48" E
10	3.23	S 54° 39' 15" W
11	3.08	N 52° 09' 18" W
12	2.00	S 23° 08' 48" E
13	4.00	S 54° 39' 15" W
14	10.24	N 35° 20' 45" W
15	10.24	N 54° 39' 15" E
16	3.52	N 35° 09' 42" W
17	10.03	N 52° 30' 11" E
18	3.33	S 23° 08' 48" E
19	4.00	S 54° 39' 15" W
20	2.00	S 23° 08' 48" E
21	6.40	S 54° 39' 15" W
22	10.24	S 23° 08' 48" E
23	10.24	S 54° 39' 15" W
24	3.48	S 54° 39' 15" W
25	10.17	N 35° 09' 26" W
26	3.52	S 23° 08' 48" E
27	2.00	N 54° 39' 15" E
28	3.52	S 23° 08' 48" E
29	2.00	N 54° 39' 15" E
30	6.40	S 23° 08' 48" E
31	10.42	S 54° 39' 15" W

NOTES:
 SEE SHEET No. 1 FOR BASIS OF BEARINGS.
 SEE SHEET No. 2 FOR NOTES AND LEGEND.

CLUSTER "H"
 RECORD OF SURVEY
 OF A PORTION OF
 RANCHO LOS DOS PUEBLOS
 BEING THE FACULTY HOUSING PROJECT
 UNIVERSITY OF CALIFORNIA,
 SANTA BARBARA.
 COUNTY OF SANTA BARBARA, CALIFORNIA
 SCALE: 1" = 15'
 MAY 1986

Penfold & Smith
 ENGINEERS INC.
 1112 WESTERN STREET, SANTA BARBARA, CALIF. 93101
 PHONE (805) 965-1111
 FAX (805) 965-1112

SHEET 10 OF 10 SHEETS
 W.O. 7711-56-00

Exhibit "A"

EXHIBIT "B" TO
COMMON AREA LEASE

LIST OF ENCUMBRANCES

ARTICLES OF INCORPORATION

OF

WEST CAMPUS POINT HOMEOWNERS ASSOCIATION

I.

The name of this corporation is West Campus Point Homeowners Association.

II.

A. This corporation is a nonprofit mutual benefit corporation organized under the Nonprofit Mutual Benefit Corporation Law. The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under such law.

B. The specific purpose of this corporation is to own and to provide management, maintenance, preservation and control of the lots and areas owned in common by the owners of the separately owned lots in a development known as West Campus Point, Goleta, in the unincorporated area of Santa Barbara County, California, and to enforce the provisions of any Declaration of Covenants, Conditions and Restrictions recorded in Santa Barbara County with respect to all or any portion of West Campus Point.

III.

The name and address in the State of California of this corporation's initial agent for service of process is:

Steven K. McGuire
317 East Carrillo Street, Suite 100
Santa Barbara, California 93101

IV.

The Articles of Incorporation of the corporation may be amended only by the vote at a duly called meeting or written consent of:

- (a) At least a fifty-one percent (51%) vote of the Directors of the Association;
- (b) At least a fifty-one percent (51%) vote of the voting power of the Association; and
- (c) At least a fifty-one percent (51%) of members other than the subdivider.

V.

Notwithstanding any other provision in these Articles of Incorporation, the corporation shall be subject to the following limitations and restrictions:

A. The corporation shall distribute its income for each taxable year at such time and in such manner as not to become subject to the tax on undistributed income imposed by Section 4942 of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent Federal Tax Laws.

B. The corporation shall not engage in any act of self-dealing as defined in Section 4941(d) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent Federal Tax Laws.

C. The corporation shall not retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent Federal Tax Laws.

D. The corporation shall not make any investments in such manner as to subject it to a tax under Section 4944 of the Internal Revenue Code of 1954, or corresponding provisions of any subsequent Federal Tax Laws.

E. The corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the specific purposes of this corporation.

F. No part of the net earnings of this corporation shall inure to the benefit of any private member or individual other than by acquiring, constructing, or providing management, maintenance, and care of association property and other than by a rebate of excess membership dues, fees, or assessments.

Dated: August 21, 1986.



Steven K. McGuire

I hereby declare that I am the person who executed the foregoing Articles of Incorporation, which execution is my act and deed.



BYLAWS
OF
WEST CAMPUS POINT
HOMEOWNERS' ASSOCIATION

ARTICLE I

Purposes and Definitions

The primary and specific purposes and general purposes of the Association are set forth in the Articles of Incorporation of the Association. In furtherance of these purposes, the Association shall maintain all the common areas and facilities within the development.

All of those definitions contained in that Declaration of Covenants, Conditions and Restrictions recorded on _____ as Instrument No. _____ of the Official Records of Santa Barbara County, California, (herein "Declaration") are hereby incorporated by reference.

ARTICLE II

Principal Office

The principal office for the transaction of the business of West Campus Point Homeowners' Association (herein called "the Association") shall be located within the development or as close thereto as practicable and shall be specified by the Board.

ARTICLE III

Members

3.01. Number of Members. There shall be one (1) membership for each residence lot, excluding residence lots owned by the Association, located within the development. There shall be no classification of membership in the Association, and each membership shall be appurtenant to a residence lot in the development.

3.02. Qualification of Members. Each residence lot in the development shall be entitled to one (1) membership in the Association. That membership, in the case of a residence lot which is leased by a single natural person, shall belong to such person. Where the residence lot is leased by more than one (1) person, or by an entity other than a natural person, such lessee or lessees shall, from time to time, designate one (1) natural person in writing to vote and exercise all of the rights of membership; in the case of a residence lot leased by a number of persons, including residence lots leased in joint tenancy or in a tenancy in common, the person so designated must be one of such joint lessees. In the case of a contract of sale of a residence located on any residence lot in the development, the contract purchaser of such residence shall be entitled to the membership for such residence lot effective upon the transfer of possession to him/her of such residence lot. Any lessee of an interest in any residence lot, even though not designated as the voting member, shall nevertheless be jointly and severally responsible for the dues, assessments and charges levied against, incurred by or attributed to the membership derived from the residence lot in which such lessee has an interest.

3.03. Transfer of Membership. Membership in the Association shall be transferable only when the entire leasehold interest in a given residence lot has been validly conveyed or assigned by written instrument or by operation of law. In connection with any transfer pursuant to this section, the Association may charge the transferor-member a Ten Dollar (\$10.00) transfer fee for each transfer; provided, however, no such charge may be made to the holder of a first deed of trust who acquires title to any residence by foreclosure, trustee's sale or a deed in lieu of foreclosure. The provisions of this section shall not apply to the subdivider, its successors in interest or assigns. The term "successor in interest or assigns" of the subdivider, as used herein, shall not apply to lessees of a residence lot from the subdivider.

3.04. Voting and Majority Rule. Each member shall be entitled to one vote for each membership on all questions provided that there shall be only one (1) vote for each residence lot irrespective of the number of lessees of that residence lot and the term "voting power of the Association" shall mean the total of all such memberships. Except as expressly provided elsewhere in these Bylaws and in the Declaration, a simple majority of the members present, if constituting a quorum, shall prevail on all questions.

ARTICLE IV

Meetings of Members

4.01. Place of Meeting. All annual and other meetings of members shall be held at the development or at such other place as close thereto as practicable. Any meeting is valid wherever held, if held by the written consent of all members entitled to vote thereat, given either before or after the meeting and filed with the Secretary of the Association.

4.02. Annual Meeting. Annual meetings of the members shall be held within a period of thirty (30) days before or thirty (30) days after the anniversary date of the first annual meeting at 8:00 o'clock p.m. local time.

Written notice of each annual meeting shall be given by the Secretary of the Association to each member entitled to vote, either personally or by sending a copy of the notice through the mail or by telegraph, charges prepaid, to his/her address appearing on the books of the Association or supplied by him/her to the Association for the purpose of the notice. If a member supplies no address, notice shall be deemed to have been given to him/her if mailed to the address of the residence lot affected, or published at least once in some newspaper of general circulation in the County of Santa Barbara. All such notices shall be sent to each member, entitled thereto not less than ten (10) days nor more than sixty (60) days before each annual meeting, and shall specify the place, the date and the hour of such meeting.

4.03. Organizational Meeting. An organizational meeting of the members shall be held either (i) within six (6) months from the date of sale by the subdivider of the first residence in the development or (ii) within forty-five (45) days after fifty-one percent (51%) of the residences in the development have been sold, whichever first occurs. The term "sale," as used herein, shall mean in addition to purchase and sale as connoted thereby the transfer of possession of a residence by lease with an option to purchase or by contract of sale.

4.04. Special Meetings. Special meetings of members for any purpose or purposes whatsoever shall be called at any time by the President or by the Board, or by a majority of a quorum of directors, or by receipt of a written request therefor signed by members representing not less than five percent (5%) of the voting power of the Association. Except in special cases where other expressed provision is made by statute, notice of such special meetings shall be given in the same manner as for the annual meetings of members. Notices of any special meeting shall specify, in addition to the place, the date and the hour of such meeting, the general nature of the business to be transacted thereat.

4.05. Record Date and Closing Membership Register. The Board may fix a time in the future not exceeding fifteen (15) days preceding the date of any meeting of members, as a record date for the determination of the members entitled to notice of and to vote at such meeting, and in such case, only members of record on the date so fixed shall be entitled to notice of and to vote at such meeting, notwithstanding any transfer of any memberships on the books of the Association after any record date fixed as aforesaid. The Board may close the books of the Association against transfers of memberships during the whole or any part of any such period.

4.06. Adjourned Meetings. Any members' meeting, annual or special, in the absence of a quorum, may be adjourned from time to time by the vote of a majority of the voting power of the Association represented at such meeting to a time not less than five (5) days nor more than thirty (30) days from the time the original meeting was called. In the absence of a quorum, which at such adjourned meeting shall be not less than one-fourth (1/4) of the voting power of the Association, no other business may be transacted at any such meeting. It shall not be necessary to give any notice of such adjournment or of the business to be transacted at an adjourned meeting other than by

announcement at the meeting at which the adjournment is taken. If for any reason a time and place for the adjourned meeting is not fixed by those in attendance at the meeting at which the adjournment is taken or a new date is fixed for the adjourned meeting after adjournment, notice of the time and place of the adjourned meeting shall be given to members in the same manner as for the annual meetings of members.

4.07. Entry of Notice. Whenever any member who is entitled to vote has been absent from any meeting of members, whether annual or special, an entry in the minutes to the effect that notice has been duly given shall be conclusive and incontrovertible evidence that due notice of such meeting was given to each member as required by law and the Bylaws.

4.08. Quorum. Except as provided in Section 4.06 relative to adjourned meetings, the presence in person or by proxy of members entitled to cast in excess of one-third (1/3) of the voting power of the Association shall constitute a quorum for the transaction of business. The members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough members to leave less than a quorum; provided, however, that there shall be deemed a quorum if there are present at the meeting when reconvened pursuant to Section 4.06 at least one-quarter (1/4) of the voting power of the Association.

4.09. Consent of Absentees. The transaction of business at any meeting of members, either annual or special, however called and noticed, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if, either before or after the meeting, each of the members entitled to vote, not present in person or by proxy, sign a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the records of the Association or made a part of the minutes of the meeting.

4.10. Proxies. Every person entitled to vote or execute consents shall have the right to do so either in person or by an agent or agents authorized by a written proxy executed by such person or his duly authorized agent and filed with the Secretary of the Association; provided that no such proxy shall be valid after the expiration of eleven (11) months from the date of its execution, unless the member executing it specifies therein the length of time for which such proxy is to continue in force, which in no case shall exceed two (2) years from the date of its execution.

4.11. Balloting. On all questions where a majority of the voting power of the Association deems it necessary, and in any event in the election or removal of members of the Board, ballots shall be cast secretly and in writing, folded in such a manner that the way in which the ballot is marked cannot be seen, and deposited into a receptacle. The ballots shall be counted immediately upon collection thereof by two (2) members selected by the Chairman of the meeting. The Chairman shall announce the results of the balloting immediately, and the ballots may be inspected by any member.

4.12. Action Without a Meeting. Any action which may be taken by the vote of members at a regular or special meeting, except the election of governing body members where cumulative voting is a requirement, may be taken without a meeting in accordance with Corporations Code Section 7513.

ARTICLE V

Directors

5.01. Powers. Subject to limitations of the Articles of Incorporation or the Bylaws or the California Corporations Code as to the action to be authorized or approved by the members and subject to the duties of directors as prescribed by the Bylaws, all corporate powers shall be exercised by or under authority of, and the business and affairs of the Association shall be controlled by, the Board of Directors; without prejudice to such general powers, but subject to the same limitations, it is hereby expressly declared that the directors shall have the following powers:

(a) To elect and remove all officers, agents and employees of the Association, prescribe such powers and duties for them as may not be inconsistent with law, with the Articles of Incorporation or these Bylaws, fix their compensation and require from them security for faithful service.

(b) To conduct, manage and control the affairs and business of the Association, to provide for internal security, fire protection, water service and such other common services and utilities as they may deem necessary and advisable, to maintain the roads, common areas and common facilities of the Association, including any real or personal property owned by the Association, and to make such rules and regulations therefor not inconsistent with law, the Articles of Incorporation or the Bylaws as they may deem best.

(c) To contract and to levy assessments for the activities herein authorized including such acts as may be incidental to the stated powers and authorities and affairs of the Association.

(d) To adopt, make and use a corporate seal, and to prescribe the forms of certificates of membership, and to alter the form of such seal and of such certificates from time to time as in their judgment they may deem best, provided such seal and such certificates shall at all times comply with the provisions of law.

(e) To authorize the issuance of memberships to such persons as shall be eligible for membership as provided in Article III of the Bylaws.

(f) To appoint an executive committee and to delegate to such committee, subject to the control of the Board, any of the powers and authority of the Board.

(g) To enforce the provisions of these Bylaws, the Articles of Incorporation and the Declaration of Restrictions described in Article I

hereof, and/or to seek recovery of damages for any breach thereof that causes injury or loss to other owners or the Association.

(h) To exercise all the powers and authorities set forth in the Declaration including, without limitation, the assessment powers therein.

(i) To contract and to pay for maintenance, gardening, utilities, materials and supplies and services relating thereto within the development and to employ personnel reasonably necessary for the operation of the project including lawyers and accountants where appropriate.

(j) To enter upon the residence lots and the improvements thereon as necessary in connection with construction, maintenance or emergency repair for the benefit of the common area or of the members in common.

(k) To pay taxes and special assessments which are or would become a lien on the property of the Association, if any.

(l) To contract and pay premiums for fire, casualty, liability and other insurance, including indemnity and other bonds, as required by the Declaration or the Bylaws or as deemed advisable by the Board.

(m) To delegate its powers.

(n) To fill vacancies on the Board.

(o) Pursuant to uniform rules, to suspend the voting rights or any other privileges of membership herein of a member for any period during which any assessment against his/her residence lot remains unpaid or for any period during which any infraction by an owner, his/her family or guests of this Declaration, the Bylaws, Articles of Incorporation or rules continues and up to thirty (30) days after the procedures hereafter enumerated are followed:

[i] Written notice of the proposed suspension and the reasons therefor is given to the members at least fifteen (15) days prior to the effective date of the Board action.

[ii] The member is given an opportunity to submit to the Board his/her oral or written response to the notice not less than five (5) days prior to the effective date of the proposed suspension.

[iii] The notice required above shall be given by first-class mail or registered mail sent to the last address of the owner on the Association's records.

(p) To impose reasonable monetary penalties for any failure to comply with the Declaration, Bylaws or Association rules, provided that such penalty shall be imposed only after notice and an opportunity to be heard are given in the manner prescribed in Section 5.01(o).

5.02. Limitation of Powers. Notwithstanding any or all of the powers

set forth in Section 5.01, without the prior vote or written consent of a majority of the total voting power of the Association, the Board shall not:

(a) Enter into any contracts which bind it or the Association for a period in excess of one (1) year, provided that any management agreement for the development shall further provide that it can be cancelled upon thirty (30) days' written notice by the Association, except for the following:

[i] A management contract, the terms of which have been approved by the Federal Housing Administration or Veteran's Administration;

[ii] Prepaid casualty and/or liability insurance policies for a term not to exceed three (3) years' duration provided that the policy permits a short rate cancellation by the insured.

[iii] Agreements for cable television services and equipment of not to exceed five (5) years duration provided that the supplier is not an entity in which the subdivider has a direct or indirect ownership interest of ten percent (10%) or more.

[iv] Common Area Lease entered into by the Association and the Regents of the University of California dated _____, 1986.

[v] Utility Services Agreement entered into by the Association and the Regents of the University of California dated _____, 1986

(b) During any one (1) fiscal year sell property of the Association or incur aggregate expenditures for capital improvements to the common area having an aggregate fair market value greater than five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.

(c) Pay compensation to members of the Board or to officers of the Association for services performed in the conduct of the Association's business except that such persons may be reimbursed for expenses incurred in carrying on the Association's business.

5.03. Number and Qualification of Directors; Quorum. The Board shall consist of at least three (3) and no more than five (5) directors until changed by appropriate amendment. A majority of directors constitute a quorum. The exact number of directors shall be determined by the members at any annual meeting of members, provided that no incumbent director shall have his or her term shortened by such action except as otherwise provided herein.

5.04. Election, Term of Office and Removal. All directors shall be elected at the organizational meeting of members and at each subsequent annual meeting of members to serve for a term of one (1) year, but if any such annual meeting is not held or the directors are not selected thereat, the directors may be elected at any special meeting of members held for that purpose. All directors, unless removed, shall hold office until their respective successors are elected. In any vote for the election of or removal of

more than one (1) director, no member shall be entitled to cumulate votes for a candidate or candidates unless such candidate's name or candidates' names have been placed in nomination prior to the voting and the member has given notice at the meeting prior to the voting of the member's intention to cumulate votes. If any one member has given such notice, all members may cumulate their votes for candidates in nomination; that is, all or any part of the total number of votes that each member has (based upon one vote per member for each vacancy to be filled or director to be removed) may be cast for the election of or removal of any one (1) director. However, unless the entire Board is removed from office by the vote of members of the Association, no individual director shall be removed prior to the expiration of his/her term of office if the votes cast against removal would be sufficient to elect the director if voted cumulatively at an election at which the same total number of votes were cast and the entire Board authorized at the time of the most recent election of the director were then being elected. The first election shall be held either (i) within six (6) months from the date of sale by the subdivider of the first residence lot in the development, or (ii) within forty-five (45) days after fifty-one percent (51%) of the residence lots in the development have been sold, whichever first occurs. When cumulative voting does not permit the members other than the subdivider to elect one director, then such members shall nevertheless be permitted to elect one director. When a director elected by the members other than the subdivider is to be removed, the consent or vote of a majority of members other than the subdivider must be obtained to effect such removal, subject to the above requirements for removal.

5.05. Vacancies. Vacancies in the Board may be filled by a majority of the remaining directors, though less than a quorum, and each director so elected shall hold office until his/her successor is elected at an annual meeting of members or at a special meeting called for that purpose. A vacancy or vacancies shall be deemed to exist in case of the death, resignation or sale of his/her residence lot by any director, or if the members shall increase the authorized number of directors but fail at the meeting at which such increase is authorized, or at an adjournment thereof, to elect the additional directors so provided for, or in case the members fail at any time to elect the full number of authorized directors, or if a director is removed by the members. The members may at any time elect directors to fill any vacancy not filled by the directors, and may elect the additional directors at the meeting at which an amendment of the Bylaws is voted authorizing an increase in the number of directors. If any director tenders his resignation to the Board, the Board shall have the power to elect a successor to take office at such time as the resignation shall become effective. No reduction of the number of directors shall have the effect of removing any director prior to the expiration of his term in office.

5.06. Place and Notice of Meeting; Right to be Heard. Unless otherwise permitted by law, all meetings of the Board shall be held at such time and at any such place or places within the development as designated at any time by resolution of the Board or by written consent of all members of the Board. Notice of all regular meetings of the Board shall be posted at a prominent place in the common area and communicated to each Director at least four (4) days prior to the meeting; provided, however, that notice of a meeting need

not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting. Subject to the provisions of Section 5.12, *infra*, all regular and special meetings of the Board shall be open to all members of the Association; however, such members who are not on the Board shall not have the right to speak unless authorized by a majority of a quorum of the Board.

5.07. Organization Meeting. Immediately following each annual meeting of members, the Board shall hold a regular meeting for the purpose of organization, election of officers and the transaction of other business. Notice of such meetings is hereby dispensed with.

5.08. Other Regular Meetings. Other regular meetings of the Board may be held at such place and day and hour as may be fixed from time to time, subject to the notice requirements contained in Section 5.06, *supra*. Regular meetings of the Board shall be held at least every three (3) months and more frequently when the business to be transacted by the Board justifies more frequent meetings.

5.09. Special Meetings. Special meetings of the Board for any purpose or purposes whatsoever may be called at any time by the President or any two (2) directors and upon written notice being delivered to each director and posted in the manner prescribed for notice of regular meetings and specifying, in addition to the place, the date and the hour of such meeting, the general nature of the business to be transacted thereat; provided, however, that notice need not be given to any Director who has signed a waiver of notice or consent to holding the meeting.

5.10. Majority Rule. Except as expressly provided elsewhere in these Bylaws, a simple majority of the directors present at any meeting duly held at which a quorum is present shall prevail on all questions.

5.11. Election of Officers. All officers shall be chosen by vote of the Board, except such officers as may be appointed in accordance with Sections 6.03 and 6.04.

5.12. Executive Sessions. Upon the vote of a majority of a quorum of the Board, it may adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved and business of similar nature, provided that the nature of such business to be discussed in executive session is first announced in open session.

5.13. Action Without a Meeting. The Board may take actions without a meeting if all directors consent in writing to the action to be taken. An explanation of any such action to be taken by unanimous written consent shall be given by the Board to the members of the Association in the manner provided in Section 5.06 hereof for the giving of notice of regular meetings of the Board within three (3) days after all written consents have been obtained.

ARTICLE VI

Officers

6.01. Officers. The officers of the Association shall be President, Vice-President, Secretary and Treasurer.

6.02. Election. The officers of the Association, except such officers as may be appointed in accordance with the provisions of Sections 6.03 and 6.04, shall be chosen annually by the Board, and each shall hold his/her office until he/she shall resign or shall be removed or otherwise disqualified to serve, or until the election and qualification of his/her successor.

6.03. Subordinate Officers, etc. The Board may appoint such other officers as the business of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in the Bylaws or as the Board may determine from time to time.

6.04. Removal and Resignation. Any officer may be removed, either with or without cause, by a majority of the directors at the time in office, at any regular or special meeting of the Board, or, except in the case of an officer chosen by the Board, by any officer upon such power of removal as may be conferred by the Board. Any officer may resign at any time by giving written notice to the Board or the President or the Secretary of the Association. Any such resignation shall take effect at the date of the receipt of such notice or at any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

6.05. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed in the Bylaws for the regular appointments of such office.

6.06. President. Subject to such supervisory powers, if any, as may be given by the Board to the Chairman of the Board, if there be such an officer, the President shall be the chief executive officer of the Association and shall, subject to the control of the Board, have general supervision, direction and control of the business and officers of the Association. He/she shall preside at all meetings of the members in the absence of the Chairman of the Board, or, if there be none, at all meetings of the Board. He/she shall be ex-officio a member of all the standing committees including the executive committee, if any, and shall have the general powers and duties of management usually vested in the office of president of an association, and shall have such other powers and duties as may be prescribed by the Board or by the Bylaws.

6.07. Vice-President. In the absence or disability of the President, the Vice-Presidents in order of their rank as fixed by the Board or, if not ranked, the Vice-President designated by the Board, shall perform all the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. The Vice-Presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Board or by the Bylaws.

6.08. Secretary. The Secretary shall keep, or cause to be kept, at the principal office or such other place as the Board may order, a book of minutes of all meetings of directors and members, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, and the names of those present or represented. The Secretary shall keep, or cause to be kept, at the principal office or at the office of the Association's transfer agent, a membership register, or a duplicate membership register showing the names of the members and their addresses, and the property to which each membership relates, the number of memberships, the number and date of certificates issued for the same and the number and date of cancellation of every certificate surrendered for cancellation. The Secretary shall give, or cause to be given, notice of all meetings of the members and of the Board required by the Bylaws or by law to be given, and he shall keep the seal of the Association in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Board or the Bylaws.

6.09. Treasurer. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Association. The Treasurer shall deposit all monies and other valuables in the name and to the credit of the Association with such depositories as may be designated by the Board. He/she shall disburse the funds of the Association as may be ordered by the Board, shall render to the President and directors, whenever they request it, an account of all his/her transactions as Treasurer and of the financial condition of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board or the Bylaws.

ARTICLE VII

Miscellaneous

7.01. Inspection of Corporate Records. The membership register or duplicate membership register, the books of account and minutes of proceedings of the members, directors and committees shall be open to inspection upon the written demand of any member, at any reasonable time, for a purpose reasonably related to his interests as a member. Such inspection may be made in person or by an agent or attorney, and shall include the right to make extracts. Demands of inspection other than at a members' meeting shall be made in writing upon the President or Secretary. Every such demand, unless granted, shall be referred by such officer to the Board. The Board shall adopt reasonable and uniform rules respecting (1) the notice to be

given to the custodian of the particular records to be inspected by a member; (2) the hours and days of the week when such inspection may be made; and (3) payment of the cost of reproducing copies of documents requested by a member. Each director shall have the right at any reasonable time to inspect all books, records and documents of the Association and physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make extracts and copies of documents.

7.02. Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the Association, shall be signed or endorsed by such person or persons and in such manner as from time to time shall be determined by resolution of the Board.

7.03. Contract, etc., How Executed. The Board, except as otherwise provided in the Bylaws, may authorize any officer or officers, agent or agents to enter into any contract or execute any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances; and unless so authorized by the Board, no officer, agent or employee shall have any power or authority to bind the Association by a contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

7.04. Balance Sheets, Operating Statements and Budgets. The following financial information shall be regularly prepared and distributed by the Association to all members:

(a) A budget for each fiscal year consisting of at least the following information shall be distributed not less than forty-five (45) days and not more than sixty (60) days prior to the beginning of the fiscal year:

[i] Estimated revenue and expenses on an accrual basis.

[ii] The amount of the total cash reserves of the Association currently available for replacement, or major repair of common facilities, and for contingencies.

[iii] An itemized estimate of the remaining life of, and the methods of funding to defray repair, replacement, or additions to major components of the Common Areas and facilities for which the Association is responsible.

[iv] A general statement setting forth the procedures used by the Association in the calculation and establishment of reserves to defray the costs of repair, replacement, or additions to major components of the Common Areas and facilities for which the Association is responsible.

(b) A balance sheet, as of an accounting date which is the last day of the month closest in time to six (6) months from the date of closing of the first sale of a residence, and an operating statement for the period

from the date of the first closing to the said accounting date, shall be distributed within sixty (60) days after the accounting date. This operating statement shall include a schedule of assessments received and receivable identified by the number of the residence lot and the name of the entity assessed.

(c) A report consisting of the following shall be distributed within ninety (90) days after the close of the fiscal year.

- [i] A balance sheet as of the end of the fiscal year.
- [ii] An operating (income) statement for the fiscal year.
- [iii] A statement of changes in financial position for the fiscal year.
- [iv] Any information required to be reported under Section 8322 of the Corporations Code

The report required under this section shall be prepared by an independent accountant; and from an audit of the books and records of the Association, if so requested under Article XVIII, Section 10 of the Declaration.

In addition to financial statements, the Association shall annually distribute within sixty (60) days prior to the beginning of the fiscal year a statement of the Association's policies and practices in enforcing its remedies against members for defaults in the payment of regular and special assessments including the recording and foreclosing of liens against members' condominiums.

ARTICLE VIII

Amendments

Subject to the provisions of Article XVIII, Section 3 of the Declaration, the Bylaws may be amended or repealed by the vote at a duly called meeting or by written consent of not less than a fifty-one percent (51%) vote of the voting power of the Association. Notwithstanding the above, the percentage of a quorum or of the voting power of the Association or of members other than a subdivider necessary to amend a specific clause or provision in the Articles or Bylaws shall not be less than a prescribed percentage of affirmative votes required for action to be taken under that clause.

IN WITNESS WHEREOF, I have hereunto set my hand this ___ day
of _____ .

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify: that I am the duly elected and acting Secretary of the West Campus Point Homeowners' Association, a California corporation; and that the foregoing Bylaws consisting the eight (8) Articles and fourteen (14) pages, constitute the Bylaws of said corporation as duly adopted by the incorporators of said corporation, on _____, at Santa Barbara, California.

IN WITNESS WHEREOF, I have hereunto set my hand this ___ day of _____.

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09.25.86

WEST CAMPUS POINT
RESERVES, JANUARY 1990

RESERVE ACCOUNTS	CURRENT 12/31/89	GOAL	
=====	=====	=====	
PAINTING	\$50,593.40	\$100,000.00	
ROOF	3,806.83	100,000.00	
SWIMMING POOL	7,325.33	8,000.00	
SPA	3,662.67	4,000.00	
RETAINING WALL	543.40	1,000.00	
POOL FENCE	743.60	1,000.00	
STREETS	22,937.20	50,000.00	
EXTERIOR LIGHTS	2,173.60	10,000.00	
LANDSCAPING	6,406.40	10,000.00	
SOLAR	13,642.20	20,000.00	
INSURANCE	11,000.00		
	=====	=====	
FUNDS NEEDED	\$122,834.63	\$304,000.00	\$181,166.00

NOTES:

1. Reserves to be funded at a rate of 30,000/yr, or 2,500/month.
2. Fund fully the smallest and/or most likely to be used first accounts, i.e., pool fence retaining wall, etc.
3. At a rate of 30,000/year the reserves goal will be reached in 6 years, 1996

**West Campus Point
Homeowners' Association**

Post Office Box 20130
Santa Barbara, CA 93120

June 12, 1990

To all new Home Buyers at West Campus Point:

This letter is to inform you that the reserve fund set up by the West Campus Point Homeowners Association is adequate for the current five year period ending in December 1995, at which time the amount will be funded to approximately \$300,000.

Your current dues of \$180 includes a \$46 reserve amount.

The next five-year period, 1996-2001, may require increases to bring the reserve fund up to \$1 million. A reserve study will be performed by a qualified builder to ascertain the correct figures.

According to new California State Law, homeowner associations are required to keep adequate reserves to cover future repair costs. Also, associations are required to inform new home buyers of the potential of any increases needed in the reserve amounts.

Attached is a copy of an article which appeared in the March 18, 1990 issue of the Los Angeles Times. It explains reserve funds clearly. Please read it and call Brewers and Associates at 964-9250 with any questions.

Homeowner Fees Should Be Based on True Costs

by MARLA BROWER

Why are some homeowner associations financially sound, while others are rarely paying their monthly bills? Is the problem due to the original budget? Interim planning? The amount of dues? More important, is it possible to turn around a financially ailing homeowner association?

Before a subdivision is built, the developer is required to submit a budget for the homeowner association to the Department of Real Estate. Because budgets are prepared so early in the development process, they frequently include items that are never built and do not list items that are eventually included.

Because the budget approved by the Department of Real Estate is used by the association for at least the first year of its operation, an optimistic developer budget tends to be an initial deficiency in the association's original budget.

Naturally, home buyers find it goes against them to buy into an association with lower assessments. The message to those buyers is caveat emptor—buyer beware! Suspiciously low dues frequently mean that there may be a problem ahead, with additional costs looming.

It is hard for the lay person to identify all the costs involved in a homeowner's association, especially if it does not have the most visibly expensive amenities—a guard gate, swimming pool or tennis courts. But consider the costs of the following examples:

Do you have private streets? Private streets mean that the association is responsible for painting and striping the streets, 45 cents a square foot every three years; repaving the streets, 31 cents a square foot every 20 years; pairing potholes, 27 cents a square foot every four years, and sweeping the streets, \$50 a sweep machine (5,820 square feet).

Streets also add to insurance and may need to be washed down on an annual basis. If the association owns the street lights, it most likely owns the street lights as well. This means maintenance for cleaning and bulb changes, electricity for lights that are on for an average of 10 hours a night, painting of light poles and eventual replacements for fixtures themselves, the cost of which is often alarmingly high.

If a pool, restroom, guard gate are added, the number of items in need of maintenance and repair multiply dramatically.

Another cost that is often overlooked is the running of the association itself. An association, which is a nonprofit corporation under California laws, faces at a minimum nearly 39% tax on interest income, insurance, audits and billings.

Don't fool yourself; just like any other type of business, the simple cost of conducting association business is far more than meets the eye. Members of homeowner associations should know that those seductively low assessment bills can threaten the future value of your home by endangering the financial health of your association.

The first few years of an association are critical to smooth money matters in the future. In addition, ongoing maintenance must begin the moment construction is completed. How then to know what must be maintained? What are the priorities? Where to start?

Initial maintenance is crucial. If, for example, your wrought iron within the community is not repainted in the first year-and-a-half at about 45 cents a linear foot, in time it probably will need to be replaced completely for about \$21 a linear foot.

One of the best tools to assess these maintenance needs is the professional reserve analysis, which should be done by a firm that specializes in assessing the condition of each item—whether street, light fixture, pool plaster or paint on the entry sign—and determining the remaining life of that item.

The analyst will then assign your available funds to the items that are in the most urgent need of attention, and let you know what to fund in the coming months and years for future repair.

For example, if you have 100 light poles that each costs \$100 to replace, that amounts to \$10,000. If the poles have 10 years of remaining life, you must reserve \$1,000 for each of the 10 years of remaining life.

In this fashion, as each item is in need of repair or replacement, the

funds will have been set aside specifically for that purpose.

Associations that are financially sound have been following this method of funding for many years. Frequently, money is also set aside for emergency items or improvements to the common areas. Although this method almost assures financial health for an association, it is not required by law.

The California Civil Code only requires a homeowner association to annually mail to all members "the identification of the estimated remaining life of . . . those major components which the association is obliged to maintain."

The code has two flaws. It allows anyone to perform the reserve analysis as long as it is reviewed by the board of directors, and it does not require the association to set aside the recommended amount of money.

One major obstacle to having enough money to set aside is a board of directors that does not understand that the association cannot properly function based on a fear of raising its members' dues.

Many buyers of new homes are inclined to purchase within an association whose dues are low, not realizing that the low dues are a reflection of an inadequate original budget. They may have even been told by "someone" that the assessments will go down.

However, inevitably, the assessments must increase.

Many board members will mistakenly feel that they are doing the association members a favor by not raising the assessment dues when—in reality—a raise is needed. This in turn, causes the need for a special assessment—to pay for the items as required.

It doesn't take a mathematical whiz to calculate the difference in asking the association members for the \$10,000 for the light poles all at once in comparison to funding \$1,000 a year (using an example of 100 homeowners, 84 cents a person each month).

If you are living in an association and the dues have not gone up for more than three years in a row, your board members are likely reacting to the fear—real or imaginary—that the members will be very angry with them if the dues go up by \$15 a month.

What these board members need to keep in mind is that if they vote

no to a dues increase, and in years a special assessment is needed, angry owners can go back years in the minutes to find out who was liable for not properly funding the association to begin with.

If the association needs more and a needed increase is assessed, there has been no wrongdoing; the needed increase is voted down by the board, negligence exists.

What if an association is in trouble already? Is there hope?

By proper planning, a troubled association can be helped through the use of cautious allocation of the funds it has—as guided by the reserve analysis, and by increasing monthly dues on a regular basis, if needed.

Current law allows boards to raise the monthly dues by 20% a year without the consent of the members at large. Naturally, a 20% increase in the monthly dues is far preferable to a special assessment, which is not made until there is an urgent demand for the funds.

By raising the dues annually, needed items requiring repair, replacement or simply beautification can be taken care of in order of importance, rather than waiting until an emergency arises.

This holds true in car maintenance, human body maintenance and homeowner association maintenance.

Some associations are financially sound because they have been keeping an eye on their future needs, and budgeting accordingly. They are being cautious with planning and use the reserve study, and they are not afraid to raise the dues when needed.

Realize that your homeowner association is an integral part of your financial investment in your home—that the association is not just there to keep your dog quiet but to protect and enhance the value of your home and your neighbor's home.

READER IDEAS FOR SPEAKING OUT

Readers wishing to express their views on topics of interest should send queries or manuscripts to Real Estate Editor, Los Angeles Times, Times Mirror Square, Los Angeles, 90053.

v.

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.