

CHAMBERLIN & ASSOCIATES L.L.C.

DEVELOPMENT MANAGEMENT AGREEMENT

Client: _____

Community: _____

Address: _____

Term: _____ (Commencement) to _____ (Conclusion)

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ARTICLE I. APPOINTMENT OF MANAGING AGENT

I.1 Appointment and Acceptance

Owner hereby appoints Manager as sole and exclusive management agent of the (name of managed Development) to lease and manage the Development described in paragraph 1.2 upon the terms and conditions provided herein. Manager accepts the appointment and agrees to furnish the services of its organization for the leasing and management of the Development; and Owner agrees to pay all expenses in connection with those services, so long as those expenses do not arise from the acts or omissions of Manager or its employees or the employees of its affiliated entities. **DEVELOPMEN**

I.2 Description of Managed Development

The Development to be managed by Manager under this Agreement (the "Development") is known as (community name), which is located at (street address), (city), (county), Arizona and which is consisting of the land, buildings, and other improvements described as a (#)-unit apartment community in the State of (state).

I.3 Term

The term of this Agreement shall be for an initial period of one year (the "initial term") from the (start day) day of (start month) (start year), to and including the (end day) day of (end month) (end year), and thereafter shall be automatically renewed from year to year with thirty (30) days' advance notice from Manager to Owner unless terminated as provided in Articles XXI or XXVII herein. Each of said one-year renewal periods is referred to as a "term year."

I.4 Management Office

Owner shall provide adequate space on the Development for a management office. Owner shall pay all expenses related to such office, including, but not limited to, furnishings, equipment, postage and office supplies, electricity and other utilities, and telephone.

I.5 Agency Relationship

Manager has a duty to exercise reasonable diligence under this Agreement and shall at all times act in the best interests of Owner pursuant to the terms and conditions set forth in this Agreement, including to remain properly licensed in the jurisdiction(s) in which operating under this Agreement and to fully comply with all applicable regulations thereof. At no time shall Manager have a fiduciary duty to Owner outside of the terms and conditions of this Agreement.

ARTICLE II. BANK ACCOUNTS

II.2 Operating Trust Account

Manager shall establish an Operating Trust Account, separate and apart from Manager's corporate accounts, for the deposit of receipts collected as described herein, in a bank or other institution whose deposits are insured by the Federal Deposit Insurance Corporation. Such depository shall be selected by the Manager. However, Manager shall not be held liable in the event of bankruptcy or failure of a depository. Funds in the Operating Trust Account remain the Development of Owner subject to disbursement of expenses by Manager as described in this Agreement.

II.3 Initial Deposit and Contingency Reserve

Initial Deposit. Immediately upon commencement of this Agreement, Owner shall remit to Manager the sum of \$_____. This sum shall be deposited in the Operating Trust Account as an initial deposit representing the estimated disbursements to be made in the first month following the commencement of this Agreement.

Contingency Reserve. Immediately upon commencement of this Agreement, Owner shall remit to Manager an additional sum of \$ _____. These moneys shall be deposited in the Operating Trust Account as funds to enable Manager to pay the obligations of Owner, as set forth under this Agreement, as they become due. From time to time, Owner and Manager shall confer and review the amount of the Contingency Reserve and, should changes be deemed necessary by both parties, execute a written modification of this provision.

II.4 DEVELOPMENT Security Deposits

As permitted by A.R.S. § 33-1321(G) in the management of residential rental Development (as defined at A.R.S. § 33-1304), Manager may commingle security deposit payments by leaseholding tenants with the funds of the Operating Trust Account. For other forms of rental Development, and as otherwise required by law, Manager shall maintain a separate interest-bearing Trust Account for tenant deposits.

II.5 Fidelity Bond

Manager shall cause all personnel who handle or are responsible for the safekeeping of any monies of Owner to be covered by a fidelity bond or comparable insurance in the amount of \$250,000.00 with a company determined by Manager. Such bond shall be secured at Owner's expense.

ARTICLE III. COLLECTION OF RENTS AND OTHER RECEIPTS

III.1 Manager's Authority

Manager shall collect (and give receipts for, if necessary) all rents, charges and other amounts receivable on Owner's account in connection with the management and operation of the Development. Such receipts shall be deposited in the Operating Trust Account maintained by Manager for the Development.

Manager shall use its best efforts to collect all rent, other charges, and other monies due Owner with in the ordinary course of business. Owner authorizes Agent to request, demand, collect, receive and receipt for all such rent and other charges and where Agent deems it advisable, to institute legal proceedings in the name of and as an expense of, Owner for the collection thereof and for the dispossession of tenants and other persons from the Development, and such expense may include the engaging of legal counsel for any such matter. Agent shall incur no liability and shall be fully protected and indemnified by Owner if it acts in accordance with the opinion and instruction received from Agents or Owners legal counsel.

III.2 Tenants' Security Deposits

Manager shall collect, deposit and disburse tenants' tenant deposits in accordance with the terms of each tenant's lease. Manager shall comply with all applicable state or local laws concerning the responsibility for tenant deposits and interest, if any. It is understood and agreed that the Manager is authorized to use referenced tenant deposits for operating expenses, if necessary. The Owner hereby agrees to reimburse any and all tenant deposits necessary within seventy-two (72) hours of written notification by Manager. Notification may be given, pursuant to Article 28, by personal delivery, commercial courier service, telephone facsimile transmission, electronic mail, or by registered or certified mail, returned receipt requested.

ARTICLE IV. OPERATING TRUST ACCOUNT DISBURSEMENTS

IV.1 Operating Expenses

From the Operating Trust Account, Manager is hereby authorized to pay or reimburse itself for all expenses and costs of operating the Development and for all other sums due Manager under this Agreement, including Manager's compensation under section 17.

ARTICLE VII. ADVERTISING, MARKETING, AND FINDER FEES

VII.1 Advertising and Marketing

Manager is authorized to advertise and market the Development or portions thereof for rent, using periodicals, signs, plans, brochures, or displays, or such other means as Manager may deem proper and advisable. Manager is authorized to place signs on the Development advertising the Development for rent, provided such signs comply with applicable laws. The cost of such advertising and marketing shall be paid out of the Operating Trust Account. All advertising shall make clear that Manager is the manager and not the Owner of the Development. Manager is authorized to advertise in local newspapers for staffing purposes. Newspaper ads that share space with other Development managed by the Manager shall be prorated based on an even share per Development. **DEVELOPMEN**

VII.2 Tenant Finder Fees

As permitted by law, Manager may offer credits against rent to current tenants who provide referrals that result in a rental agreement. For the purpose of compensation under Article 17, finder fee credits shall not reduce the calculation of gross collections.

VII.3 Inducements

Manager may conduct advertising and marketing efforts calculated to encourage prospective tenants visit the Development, including, but not limited to, the issuance of "rent concessions" as inducements to prospective tenants. The maximum "rent concession" Manager may offer to a prospective tenant is one month's free rent per six month lease period, and prorated amounts thereof for terms of differing length.

ARTICLE VIII. LEASING AND RENTING

VIII.1 Manager's Authority to Lease Development

Manager shall use all reasonable efforts to keep the Development rented by procuring tenants for the Development. Manager is authorized to negotiate, prepare, and execute all leases, including all renewals and extensions of leases (and expansions of space in the Development, if applicable) and to cancel and modify existing leases. Manager shall execute all leases as Manager for the Owner. All costs of leasing shall be paid out of the Operating Trust Account. No lease shall be in excess of eighteen months without prior written approval of Owner. The form of the lease shall be agreed upon by Owner and Manager.

VIII.2 No Other Rental Manager

During the term of this Agreement, Owner shall not authorize any other person, firm, or corporation to negotiate or act as leasing or rental Manager with respect to any leases for space in the Development. Owner agrees to promptly forward all inquiries about leases to Manager.

VIII.3 Rental Rates

Manager is authorized to establish and change or revise all rents, fees, or deposits, and any other charges chargeable with respect to the Development in accordance with all governmental contracts and regulations as provided to Manager by the Owner.

VIII.4 Enforcement of Leases

Manager is authorized to institute, in Owner's name, all legal actions or proceedings for the enforcement of any lease term, for the collection of rent or other income from the Development, or for the evicting or dispossessing of tenants or other persons from the Development. Manager is authorized to sign and serve such notices as Manager deems necessary for lease enforcement, including the collection of rent or other income. Manager is authorized, when expedient, to settle, compromise, and release such legal actions or suits or reinstate such tenancies, but any

settlement proposal in excess of \$5,000.00 shall be approved by Owner before final execution of settlement. Attorneys' fees, filing fees, court costs, and other necessary expenses incurred in connection with such actions and not recovered from tenants shall be paid out of the Operating Trust Account. Manager may select the attorney of its choice to handle such litigation.

ARTICLE IX. EMPLOYEES

IX.1 Manager's Authority to Hire

Manager is authorized to hire, supervise, discharge, and pay all servants, employees, contractors, or other personnel necessary to be employed in the management, maintenance, and operation of the Development. All employees shall be deemed employees of the Manager. Manager shall also, if it deems appropriate, **DEVELOP**ment, test and investigate such personnel.

IX.2 Payment of Employee Expenses

All wages and fringe benefits payable to such employees hired per Article 9.1 above, and all local, state, and federal taxes and assessments (including but not limited to Social Security taxes, unemployment insurance, and workers' compensation insurance), and other costs incident to the employment of such personnel, shall be paid by Manager out of the Owner's Operating Trust Account and shall be treated as operating expenses.

IX.3 Workers' Compensation Insurance

Manager shall, at Owner's expense, maintain workers' compensation insurance covering all liability of the employer under established workers' compensation laws.

IX.4 Hold Harmless, Labor Laws

Manager shall be responsible for compliance with all applicable state or federal labor laws. Except for Manager's willful misconduct, Owner shall indemnify, defend, and save Manager harmless from all claims, investigations, and suits, or from Owner's actions or failures to act, with respect to any alleged or actual violation of state or federal labor laws. Owner's obligation with respect to such violation(s) shall include payment of all settlements, judgments, damages, liquidated damages, penalties, forfeitures, back pay awards, court costs, litigation expenses, and attorneys' fees.

ARTICLE X. MAINTENANCE AND REPAIR

X.1 Maintenance

Manager is authorized to make or cause to be made, through contracted services or otherwise, all ordinary repairs and replacements reasonably necessary to preserve the Development in its present condition and for the operating efficiency of the Development, and all alterations required to comply with lease requirements, governmental regulations, or insurance requirements. Manager is also authorized when approved in the budget to decorate the Development and to purchase or rent, on Owner's behalf, all equipment, tools, appliances, materials, supplies, uniforms, and other items necessary for the management, maintenance, or operation of the Development. Such maintenance and decorating expenses shall be paid out of the Operating and/or Reserve Accounts. This section applies except where decorating and/or maintenance are at tenants' expense as stipulated in a lease.

X.2 Exceptional Maintenance

The expense to be incurred for any one item of maintenance, alteration, refurbishing, or repair shall not exceed the sum of \$1,000.00 unless such expense is specifically authorized by Owner, or is incurred under such circumstances as Manager shall reasonably deem to be an emergency. In an emergency where repairs are immediately necessary for the preservation and safety of the

Development, or to avoid the suspension of any essential service to the Development, or to avoid danger to life or Development, or to comply with federal, state, or local law, such emergency repairs shall be made by Manager at Owner's expense without prior approval.

ARTICLE XI. CONTRACTS, UTILITIES AND SERVICES

Manager is authorized to negotiate contracts as discussed and itemized in the approved budget for nonrecurring items of expense, not to exceed \$1,000.00 unless approved by Owner, and to enter into agreements in Owner's name for all necessary repairs, maintenance, minor alterations, and utility services. **DEVELOPMENT** Manager shall in Owner's name and at Owner's expense, make contracts on Owners behalf for electricity, gas, telephone, fuel, or water, and such other services as Manager shall deem necessary or prudent for the operation of the Development. All utility deposits shall be the Owner's responsibility, except that Manager may pay same from the Operating Trust Account at Owner's request.

ARTICLE XII. RELATIONSHIP OF MANAGER TO OWNER

XII.1 Relationship

The relationship of the parties to this Agreement shall be that of Principal and Agent, and all duties to be performed by Manager under this Agreement shall be for and on behalf of Owner, in Owner's name, and for Owner's account. In taking any action under this Agreement, Manager shall be acting only as Manager for Owner, and nothing in this Agreement shall be constructed as creating a partnership, joint venture, or any other relationship between the parties to this Agreement except that of Principal and Manager, or as requiring Manager to bear any portion of losses arising out of or connected with the ownership or operation of the Development. Nor shall Manager at any time during the period of this Agreement be considered a direct employee of Owner. Neither party shall have the power to bind or obligate the other except as expressly set forth in the Agreement, except that Manager is authorized to act with such additional authority and power as may be necessary to carry out the spirit and intent of this Agreement.

XII.2 Other Owners

Owner understands that there may be other Owners with properties that are similar to the Development who may engage Manager's services. Owner consents to any agency representation by Manager of such other Owners before, during and after the expiration of this Agreement and understands that the Development probably will not be presented or shown to every prospective tenant encountered by Manager or Manager's employees.

ARTICLE XIII. SAVE HARMLESS

Except for Manager's willful misconduct, Owner shall indemnify, defend, and save Manager harmless from all loss, damage, cost, expense (including attorneys' fees), liability, or claims for personal injury or Development damage incurred or occurring in, on, or about the Development. Except for Owner's willful misconduct, Manager shall indemnify, defend, and save Owner harmless from all loss, damage, costs, expense (including attorneys' fees), liability, or claims for personal injury or Development damage incurred or occurring in, on, or about the Development.

ARTICLE XIV. LIABILITY INSURANCE

Owner shall obtain and keep in force adequate insurance against physical damage (e.g., fire with extended coverage endorsement, boiler and machinery, etc.) and against liability for loss, damage, or injury to Development or persons which might arise out of the occupancy, management, operation, or maintenance of the Development. The amounts and types of insurance shall be

acceptable to both Owner and Manager, and any deductible required under such insurance policies shall be Owner's expense. Manager shall be covered as an additional insured on all liability insurance maintained with respect to the Development. Liability insurance shall be adequate to protect the interests of both Owner and Manager and in form, substance, and amounts reasonably satisfactory to Manager. Owner agrees to furnish Manager with certificates evidencing such insurance or with duplicate copies of such policies within 30 days of the execution of this Agreement. **DEVELOPMENTS**

ARTICLE XV. LIABILITY OF MANAGER AND OWNER

Manager assumes no liability whatsoever for any acts or omissions of Owner, or any previous owners of the Development, or any previous management or other Manager of either. Manager assumes no liability for any failure or default by any tenant in the payment of any rent or other charges due Owner or in the performance of any obligations owed by any tenant to Owner pursuant to any lease or otherwise. Nor does Manager assume any liability for previously unknown violations of environmental or other regulations which may become known during the period this Agreement is in effect. Any such regulatory violations or hazards discovered by Manager shall be brought to the attention of Owner in writing, and Owner shall promptly cure them.

ARTICLE XVI. OWNER RESPONSIBLE FOR LITIGATION EXPENSES

XVI.1 Fees, Fines, and Other Payments

Except for Manager's willful misconduct, Owner shall pay all expenses incurred by Manager, including, but not limited to, reasonable attorneys' fees and Manager's costs and time, and any liability, fines, penalties or the like, in connection with any claim, proceeding, or suit involving an alleged violation by Manager or Owner, or both, of any law pertaining to fair employment, fair credit reporting, environmental protection, rent control, taxes, or fair housing, including, but not limited to, any law prohibiting or making illegal discrimination on the basis of race, sex, creed, color, religion, national origin, or mental or physical handicap, provided, however, that Owner shall not be responsible to Manager for any such expenses in the event Manager is finally adjudged to have personally, and not in a representative capacity, violated any such law. Nothing contained in this Agreement shall obligate Manager to employ legal counsel to represent Owner in any such proceeding or suit.

XVI.2 Fees for Legal Advice

Owner shall pay reasonable expenses incurred by Manager in obtaining legal advice regarding compliance with any law affecting the Development or activities related to them. If such expenditure also benefits others for whom Manager in this Agreement acts in a similar capacity, Owner agrees to pay an apportioned amount of such expense.

ARTICLE XVII. MANAGER'S COMPENSATION AND EXPENSES

As compensation for the services provided by Manager under this Agreement (and exclusive of reimbursement of expenses to which Manager is entitled hereunder), Owner shall pay Manager as follows:

XVII.1 For Management Services

For the duration of this Agreement, Manager shall be paid by Owner an amount equal to the equivalent of _____ percent of gross receipts collected by Manager during a monthly period. Payments due Manager for periods of less than a calendar month shall be prorated over the number of days for which compensation is due, and shall be based upon the total gross receipts

from the Development during the preceding month. The minimum fee per each calendar month is \$0.00.

The term "gross receipts" shall be deemed to include all rents and other income and charges from the normal operation of the Development, including, but not limited to, rents, parking fees, laundry income, forfeited security deposits, pet deposits, other fees and deposits, and other miscellaneous income. Gross receipts shall not be deemed to include any income arising out of the sale of real Development or the settlement of fire or other casualty losses and items of a similar nature. **DEVELOPMEN**

The management fee is payable monthly at the end of each month.

In the event said funds are insufficient to pay the full amount of Manager's compensation, Manager shall notify Owner of the amount of deficiency and Owner shall provide such funds to be remitted to Manager within three (3) days of the receipt of such a deficiency notice.

XVII.2 For Extraordinary Services

If Manager is requested by Owner to perform additional services outside the scope of this Agreement, Manager shall receive additional compensation from Owner for the performance of such services according to a schedule to be agreed upon between Owner and Manager before such services are rendered, or if no such agreement is reached, such service shall be compensated for at a rate comparable to the prevailing rate in the local market area for such services. Such compensation shall be in addition to the compensation otherwise payable to Manager pursuant to Article XVII.1 of this Agreement and unless otherwise agreed, shall be payable immediately upon the undertaking by Manager to perform such services.

ARTICLE XVIII. REPRESENTATIONS

Owner hereby represents and warrants:

- A. That Owner has full power and authority to enter this Agreement;
- B. That there are no written or oral agreements affecting the Development other than tenant leases and government contracts and regulations, copies of which have been furnished to Manager;
- C. That there are no recorded easements, restrictions, reservations, or rights of way which adversely affect the use of the Development for the purposes intended under this Agreement;
- D. That to the best of Owner's knowledge, the Development is zoned for the intended use;
- E. That all leasing and other permits for the operation of the Development have been secured and are current;
- F. That the building and its construction and operation do not violate any applicable statutes, laws, ordinances, rules, regulations, orders, or the like (including, but not limited to, those pertaining to hazardous or toxic substances);
- G. That the building does not contain any friable asbestos, urea, formaldehyde, radon, or other toxic or hazardous substance;
- H. That no unsafe condition exists; and
- I. That Owner has made disclosure to Manager of all known material information about the Development, the location of Development and the area in the vicinity of the Development that would require disclosure by Manager to prospective tenants.

Owner acknowledges and agrees that Manager has no duty to Owner to verify the accuracy of information provided by Owner or to exercise discovery of latent material defects on or about the Development.

ARTICLE XIX. STRUCTURAL CHANGES

Owner expressly withholds from Manager any power or authority to make any structural changes in any building, or to make any other major alterations or additions in or to any such building or to any equipment in any such building, or to incur any expense chargeable to Owner other than expenses related to exercising the express powers vested in Manager through this Agreement, without DEVELOPMENT's prior written consent of the following person(s):

Name Telephone No. Address

- A. _____
- B. _____

However, such emergency repairs as may be required because of danger to life or Development, or which are immediately necessary for the preservation and safety of the Development or the safety of the tenants and occupants thereof, or required to avoid the suspension of any necessary service to the Development, or to comply with any applicable federal, state, or local laws, regulations, or ordinances, shall be authorized pursuant to Article X.2 of this Agreement, and Manager shall notify Owner appropriately.

ARTICLE XX. BUILDING COMPLIANCE

Manager does not assume and is given no responsibility for compliance of the Development or any building thereon or any equipment therein with the requirements of any building codes or with any statute, ordinance, law, or regulation of any governmental body or public authority or official thereof having jurisdiction, except to notify Owner promptly or forward to Owner promptly any complaints, warnings, notices, or summonses received by Manager relating to such matters. Owner represents that to the best of Owner's knowledge the Development and all such equipment comply with all such requirements, and Owner authorizes Manager to disclose the ownership of the Development to any such officials and, except for Manager's willful misconduct, agrees to indemnify and hold Manager, its representatives, servants, and employees harmless of and from all loss, cost, expense, and liability whatsoever which may be imposed by reason of any present or future violation or alleged violation of such laws, ordinances, statutes, or regulations.

ARTICLE XXI. TERMINATION

XXI.1 Voluntary Termination

This Agreement may be terminated by either Owner or Manager, without cause, at the end of the initial term or of any following term year upon the issuance written notice at least 30 days prior to the expiration of said term.

XXI.2 Termination for Cause

Notwithstanding the foregoing, this Agreement shall terminate in any event, and all obligations of the parties hereunder shall cease (except as to liabilities or obligations which have accrued or arisen prior to such termination, or which accrue pursuant to Article XXI.3 as a result of such termination, and obligations to insure and indemnify), upon the occurrence of any of the following events:

- A. **Breach of Agreement.** Thirty (30) days after the receipt of notice by either party to the other specifying in detail a material breach of this Agreement, if such breach has not been cured within said thirty (30) day period; or if such breach is of a nature that it cannot be cured within said thirty (30) day period but can be cured within a reasonable time thereafter, if efforts to cure such breach have not commenced or/and such efforts are not proceeding and being continued diligently both during and after such thirty (30) day period prior to the breach being cured. HOWEVER, the breach of any obligation of either

party hereunder to pay any monies to the other party under the terms of this Agreement shall be deemed to be curable within thirty (30) days.

- B. **Failure to Act, etc.** In the event that any insurance required of Owner is not maintained without any lapse, or it is alleged or charged that the Development, or any portion thereof, or any act or failure to act by Owner, its Manager and employees with respect to the Development, fails to comply with any law or regulation, or any order or ruling of any public authority, and Manager, in its sole discretion, considers that the action or position of Owner or its representatives with respect thereto may result in damage or liability to Manager, or disciplinary proceeding with respect to Manager's license, Manager shall have the right to terminate this Agreement at any time by written notice to Owner of its election to do so, which termination shall be effective upon the service of such notice. Such termination shall not release the indemnities of Owner set forth herein. **DEVELOPMENTS**
- C. **Excessive Damage.** Upon the destruction of or substantial damage to the Development by any cause, or the taking of all or a substantial portion of the Development by eminent domain, in either case making it impossible or impracticable to continue operation of the Development.
- D. **Inadequate Insurance.** If Manager deems that the liability insurance obtained by Owner per Article XIV is not reasonably satisfactory to protect its interest under this Agreement, and if Owner and Manager cannot agree as to adequate insurance, Manager shall have the right to cancel this Agreement upon the service of notice to Owner.

XXI.3 Termination Compensation

If either

- A. Owner terminates this Agreement before the end of the initial term or any subsequent term year as provided in Article XXI.1 above for any reason other than for a breach by Manager under Article XXI.2(A) above, or
- B. if Manager terminates this Agreement for a breach by Owner under Article XXI.2(A) above or pursuant to the provisions of paragraphs XXI.2(B) or XXI.2(D) above,

then, in any such event, Owner shall be obligated to pay Manager a full month's fee for the final month the agreement was in effect. To the extent that funds are available, such sums shall be payable from the Operating Trust Account. Any amount due in excess of the funds available from the Operating Trust Account shall be paid by Owner to Manager upon demand.

XXI.4 Post-Termination Obligations

Upon termination, Owner and Manager shall immediately account to each other with respect to all matters outstanding as of the date of termination and Manager shall forthwith:

- A. Surrender the Development to Owner;
- B. Pay to Manager from funds under Manager's control any amounts owed by Owner to Manager under this Agreement;
- C. From the remaining funds under Manager's control, pay existing bills and establish a funded reserve account in an amount determined by Manager for the payment by Manager of expenses and charges previously incurred for the benefit of the Development but unbilled as of the date of termination;
- D. After paying and setting aside the amounts referred to in subsection (B) and (C) above, pay to Owner all rents and income of the Development on hand and in any bank account, which are monies of Owner;
- E. Deliver to Owner as received (after the obligations referred to in Subsections (B) and (C) above have been satisfied) any monies due Owner under this Agreement but received after such termination;

- F. Deliver to Owner all materials, supplies, keys, contracts, documents, and other such accountings, papers, records pertaining to this agreement, as Owner shall reasonably request; and **DEVELOPMENT**
- G. Assign to Owner such existing contracts (which by their terms are assignable) relating to operation and maintenance of the Development as Owner shall require.

Owner shall assume all liability under contracts assigned to it under Subsection (g) above and shall indemnify and hold Manager harmless from and against any and all claims, liabilities, expenses, including attorney fees of Manager, which Manager may incur in any way connected with such contracts or with monies surrendered to Owner.

Within forty-five (45) days after termination, Manager shall deliver to Owner the written reports for any period not covered by a previous report at time of termination and shall complete its accounting for any reserve funds retained by Manager upon termination.

XXI.5 Owner Responsible for Payments

Upon termination of or withdrawal from this Agreement, Owner shall assume the obligations of any contract or outstanding bill executed by Manager under this Agreement for and on behalf of Owner and responsibility for payment of all unpaid bills. In addition, Owner shall furnish Manager security, in an amount satisfactory to Manager, against any obligations or liabilities which Manager may have properly incurred on Owner's behalf under this Agreement.

ARTICLE XXII. INDEMNIFICATION SURVIVES TERMINATION

All representatives and warranties of the parties contained herein shall survive the termination of this Agreement. All provisions of this Agreement that require Owner to have insured or to defend, reimburse, or indemnify Manager (including, but not limited to, Articles II.1, V, VIII.4, IX.2, IX.5, XIII, XIV, XV, XVI, XX, XXI.3 and XXI.4) shall survive any termination; and, except for Manager's willful misconduct, if Manager is or becomes involved in any proceeding or litigation by reason of having been Owner's Manager, such provisions shall apply as if this Agreement were still in effect.

ARTICLE XXIII. HEADINGS

All headings and subheadings employed within this Agreement and in the accompanying any Memorandum of Understanding or List of Provisions are inserted only for convenience and ease of reference and are not to be considered in the construction or interpretation of any provision of this Agreement.

ARTICLE XXIV. FORCE MAJEURE

Any delays in the performance of any obligation of Manager under this Agreement shall be excused to the extent that such delays are caused by wars, national emergencies, natural disasters, strikes, labor disputes, utility failures, governmental regulations, riots, adverse weather, and other similar causes not within the control of Manager, and any time periods required for performance shall be extended accordingly.

ARTICLE XXV. COMPLETE AGREEMENT

This Agreement, including the Memorandum of Understanding or List of Provisions, constitutes the entire agreement between Owner and Manager with respect to the management and operation of the Development and supersedes and replaces any and all previous management agreements entered into or/and negotiated between Owner and Manager relating to the

Development covered by this Agreement. No change to this Agreement shall be valid unless made by supplemental written agreement executed and approved by Owner and Manager. Except as otherwise provided herein, any and all amendments, additions, or deletions to this Agreement shall be null and void unless approved by Owner and Manager in writing. Each party to this Agreement hereby ~~acknowledges and agrees~~ **acknowledges** and agrees that the other party has made no warranties, representations, covenants, or agreements, express or implied, to such party, other than those expressly set forth herein, and that each party, in entering into and executing this Agreement, has relied upon no warranties, representations, covenants, or agreements, express or implied, to such party, other than those expressly set forth herein.

ARTICLE XXVI. RIGHTS CUMULATIVE; NO WAIVER

No right or remedy herein conferred upon or reserved to either of the parties to this Agreement is intended to be exclusive of any other right or remedy, and each and every right and remedy shall be cumulative and in addition to any other right or remedy given under this Agreement or now or hereafter legally existing upon the occurrence of an event of default under this Agreement. The failure of either party to this Agreement to insist at any time upon the strict observance or performance of any of the provisions of this Agreement, or to exercise any right or remedy as provided in this Agreement, shall not impair any such right or remedy or be construed as a waiver or relinquishment of such right or remedy with respect to subsequent defaults. Every right and remedy given by this Agreement to the parties to it may be exercised from time to time and as often as may be deemed expedient by those parties.

ARTICLE XXVII. APPLICABLE LAW AND PARTIAL INVALIDITY

The execution, interpretation, and performance of this Agreement shall in all respects be controlled and governed by the laws of the State of Arizona. If any part of this Agreement shall be declared invalid or unenforceable, Manager shall have the option to terminate this Agreement by notice to Owner, and Owner shall have the option to terminate this Agreement by notice to Manager.

ARTICLE XXVIII. NOTICES

Any notices, demands, consents and reports necessary or provided for under this Agreement shall be in writing and shall be addressed as follows, or at such other address as Owner and Manager individually may specify hereafter in writing:

- A. For Manager:
Chamberin & Associates, L.L.C.
1050 E. Southern Avenue, Suite D
Tempe, Arizona 85282
(480) 782-5100
- B. For Owner:
(client name)
(client address)
(client c/s/z)
(client telephone number)

Such notice or other communication may be mailed by United States registered or certified mail, return receipt requested, postage prepaid, and may be deposited in a United States Post Office or

a depository for the receipt of mail regularly maintained by the post office. Such notices, demands, consents, and reports may also be delivered by hand, telephone facsimile transmission, electronic mail, or by any other receipted method or means permitted by law. For purposes of this Agreement, notices shall be deemed to have been "given" or "delivered" upon personal delivery thereof or forty-eight (48) hours after having been deposited in the United States mails as provided herein.

ARTICLE XXIX. DEVELOPMENT DURABLE, BINDING AGREEMENT

This Agreement shall be binding upon the parties hereto and their respective personal representatives, heirs, administrators, executors, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have affixed or caused to be affixed their respective signatures to this Agreement.

OWNER

MANAGER

Signature

Signature

By (name of client's principal)

By David Chamberlin

Its (title)

Its President

Date

Date