

MANAGEMENT AGREEMENT

AGREEMENT made this 17 day of November, 2008, between Westfield Estates Phase 3 Subdivision, (hereinafter referred to as "The Association") and WELCH PROPERTY MANAGMENT, maintaining an office at 859 Washington Blvd., Ogden, Utah 84404 (hereinafter referred to as "Agent").

WITNESSETH:

In consideration of the mutual premises and covenants herein contained, the parties hereto agree for themselves and their respective successors and assigns, as follows:

1. The Association hereby appoints Agent sole agent for the management of **Westfield Estates Phase 3 Subdivision**, (hereinafter referred to as the "Property"). Agent shall use its best efforts in the management of the Property and due diligence in collecting the dues, fees, and other income therefrom.
2. Agent agrees on behalf of Association to supervise the work of, and to hire and discharge employees of the Property, and agrees to use reasonable care in the hiring of such employees and contractors. It is agreed that all employees necessary for the operation and maintenance of the Property, shall be the employees of the Agent or one of its subsidiaries, or an independent contractor, but not the employee(s) of The Association. All wages, salaries and other compensation paid to such employees including all items payable in respect to the payroll, such as but not limited to, unemployment insurance, social security, workmen's compensation, disability benefits, medical and surgical plans now in existence or hereafter imposed or included in union agreements which Agent may enter into, shall be considered as operating expenses of the Property.
3. Agent is authorized, at the expense of The Association to:
 - a. cause to be made such ordinary repairs to the Property,
 - b. purchase such supplies therefore, and
 - c. make such service contracts as Agent shall deem advisable or necessary with respect to the Property.

If the expense to be incurred for any one such item shall exceed the sum of \$1,000.00, Agent shall not cause the same to be done unless authorized by The Association, except where the same is immediately required by law, or under circumstances which Agent reasonably deems to be an emergency. Agent shall allow to The Association any discounts, which Agent may obtain.

Agent agrees to use its best efforts to the end that all services rendered to occupants shall be kept at a minimum cost to The Association consistent with The

Association's standard for the Property, and Agent will not perform or promise to perform services for occupants other than the usual services provided by The Association of similar Properties unless otherwise instructed by The Association. Upon obtaining knowledge thereof, Agent shall promptly notify The Association, and The Association shall promptly notify Agent, of any violation, order, rule or determination of any Federal, State or Municipal authority affecting the Property. The Agent may provide additional services to the occupants directly provided that the occupant agrees to pay for such services.

4. Agent is authorized in the name of The Association to collect all dues, fees, assessments and other income from the Property and when necessary, as directed by The Association, to institute any and all legal actions or proceedings to effect such collections or the ousting or dispossessing of occupants or other persons wherefrom and for any of the aforesaid purposes, Agent may employ counsel as directed by The Association at The Association's expense or use The Association's designated counsel.

All moneys received by Agent for or on behalf of The Association shall be and remains the property of The Association and shall be deposited in a financial institution designated by The Association and in special accounts called substantially as follows:

5. Agent is authorized on behalf of The Association to make all necessary disbursements for expenses incurred by Agent pursuant to any of the provisions of this agreement and to deduct the same from the collections made for The Association. In the event that any time there is insufficient funds in the custody of Agent from the current collections to pay such expense, The Association agrees to supply Agent immediately with funds required to make such payments. The Association agrees to reimburse Agent promptly for any such disbursements, which Agent may elect to advance for the account of The Association. Nothing herein contained, however, shall be construed to obligate Agent to make any such advances. Any such advances shall be duly noted in a Promissory Note and approved and executed by the Board.

6. Agent shall render to The Association a statement of all dues, fees, assessments and other income collected, and disbursements made, with vouchers therefore, and remit therewith all money so collected, less disbursements and Agent's compensation, as provided herein, on or before the 15th day of the next succeeding month.

7. Agent will make available to The Association the advice and consultation of its technical staff in connection with ordinary repairs and with respect to occupant alteration work and installations provided by The Association and is authorized on behalf of The Association, to consent to and approve occupant alterations and installations which are provided for in the occupants' leases. With respect to alterations and installations not provided for by leases, Agent is authorized to approve and consent to such work provided; (i) such alterations and installations are made solely at occupants' expense and in accordance with governmental requirements and (ii) such alterations and installations

do not effect the basic structure of the Property or interfere with essential Property services to other occupants.

If it becomes advisable or necessary to make extraordinary repairs or engage in extensive reconstruction or rehabilitation of the premises or any part thereof, or if Agent is called upon to perform any extraordinary services not customarily a part of the usual services performed by a managing agent, it is agreed by the parties hereto that Agent shall receive an additional fee therefore in an amount agreed upon between the parties, but in each instance, where Agent is to receive an additional fee, Agent shall give The Association prior written notice thereof.

8(a). The Association agrees to pay Agent for management of the Property, the sum equivalent of \$ 430 minimum, or \$ 10 per unit for a total of \$ 430 per month. Such management fees shall be payable in monthly installments at the time statements are rendered to The Association pursuant to paragraph 6 of this Agreement. In the event of termination of this Agreement, the compensation of Agent will be prorated to the effective date of such termination. A one-time set up fee of \$ _____ will be charged during the first 30 days of this contract to set up accounting systems, and banking relationships.

8(b) Specific services rendered for the above fee include the following:

1. Monthly Statement of Accounts
2. Monthly Reconciliation of Statements
3. Monthly Income Statement
4. Monthly Budget Comparison YTD
5. Monthly General Ledger List
6. Monthly Past Due List
7. Bi-Monthly Payables List for Board Approval
8. Disbursement of Monies to Vendors
9. Notice of Past Due Mailing (Postage extra)
10. Payment Coupons (Mailing & Copy Expense extra)
11. Credit Card and ACH capability (expenses paid by resident)
12. Attendance at Quarterly Board Meeting
13. Unlimited On Line Meetings and Conference Calls
14. Bi-monthly Property Inspections
15. Weekly Contact with Board Members
16. Web Site Creation
17. Toll-Free Information Service
18. Contact and Mailing for Citations and Violations
19. Dispatching of Service Calls to Contractors

(Rates can be adjusted up or down depending on the number of reports, on premise time, and contractor supervision on site. Quotes are available upon request.)

Association alone, Agent shall not make repairs, additions or alterations or comply with orders of public authority without the consent of The Association, expressed by the President of the Association or another designee appointed in the absence of the President.

10. a. The Association agrees to carry public liability, and contractual liability, and such other insurance as may be necessary for the protection of the interests of The Association and Agent. In each such policy of insurance, The Association agrees to designate Agent and its subsidiaries and affiliates, who are performing services under this Agreement, as parties insured with the "The Association". The public liability and contractual liability insurance must contain a severability of interest clause and coverage for Personal Injury Insurance. The carrier and the amount of coverage in each policy shall be mutually agreed upon by The Association and Agent. A certificate of each policy issued by the carrier shall be delivered promptly to Agent by The Association.

b. The Association agrees (1) to hold and save Agent free and harmless from any claim for damages or injuries to persons or property by reasons of any cause whatsoever either in and about the Property or elsewhere when Agent is carrying out the provisions of this Agreement or acting under the express or implied directions of the "The Association"; or due to The Association's failure or refusal to comply with or abide by any rule, order, determination ordinance or law of any Federal, State or Municipal Authority, (2) to reimburse Agent upon demand for any moneys which Agent is required to pay out for any reason whatsoever, under this Agreement or in connection with or as in expense in defense of, any claim or civil action, proceeding, charge or prosecution made, instituted or maintained against Agent or The Association and Agent, jointly or severally, affecting or due to the conditions or use of the Property, or acts or omissions of Agent or employees of The Association or Agent, or arising out of or based upon any law, regulation, requirement, contract or award relating to the hours of employment, working conditions, wages and/or compensation of employees or former employees of The Association, or otherwise, (3) to defend promptly and diligently, at The Association's sole expense, any claim, action or proceeding brought against Agent or Agent and The Association, jointly or severally, arising out of or connected with any of the foregoing, and to hold harmless and fully indemnify Agent from any judgment, loss or settlement on account thereof. The foregoing provisions of this paragraph shall survive the termination of this Agreement, but this shall not be construed to mean that The Association's liability does not survive as to other provisions of this Agreement. Nothing contained in this Article shall relieve Agent from responsibility to The Association for the sole negligence of Agent.

c. The Association shall procure an appropriate clause in, or endorsement on, each of its policies for fire or extended coverage insurance and on all other forms of property damage insurance including, but not limited to, coverage such as Water Damage, Property Damage Insurance, Boiler and machinery Insurance, Sprinkler leakage Insurance, covering the premises on which the Property is located, the Building or personal property, fixtures or equipment located thereon whereby the insurer waives

subrogation or consents to a waiver of the right of recovery against Agent, and having obtained such clauses or endorsement of waiver or subrogation or consent to a waiver of right of recovery, The Association hereby agrees that it will not make any claim against or seek to recover from Agent for any loss or damage to property of the type covered by such insurance.

d. It is understood and agreed that with respect to any insurance provided hereunder and covering Agent's interest, the "The Association" shall be responsible for the payment of all premiums thereon. All dividends or return premiums in connection with such insurance shall be paid to the "The Association".

e. Welch Property Management will keep a Fidelity Bond in effect in the amount of \$80,000 and currently has Business Liability Insurance in the amount of \$1,000,000.

11. In the event a petition in bankruptcy is filed by or against either The Association or Agent, or in the event that either shall make an assignment for the benefit of creditors or take advantage of any insolvency act, either party hereto may forthwith terminate this Agreement upon thirty (30) days notice in writing.

12. The appointment under this Agreement of Agent as sole and exclusive Agent for the management of the Property shall become effective as of December 1, 2008, and shall be for a month to month period unless otherwise specified in the CC&R's of the Association. The Association further has the right to cancel this Agreement for non performance at any time given 30 days notice in writing to the Property Management Company.

13. All notices referred to herein shall be deemed to be sufficiently given if in writing and sent by United States registered mail or by e-mail to the "The Association" or to the Agent, as the case may be, at their respective business addresses first herein above given or at such other e-mail address as either party shall hereafter designate by written notice.

14. This Agreement contains the entire understanding of the parties and it may not be changed or modified orally but only by written instrument signed by duly authorized officers of the parties hereto.

15. This Agreement shall be binding on the parties hereto, their successors and assigns.

16. The term "Agent" as used in this Agreement shall include any corporate subsidiaries or affiliates of Agent who perform services in, on or about the Property or the premises on which the Property is located arising out of or in connection with this Agreement.

17. Welch Property Management will be allowed to install a "Managed By" sign on the property.

18. This contract will automatically renew for another year under the same terms and conditions if it is not cancelled 30 days prior to its annual renewal period.

In WITNESS WHEREOF, the parties have hereunto set their hands the day and year first above written.

WITNESS:

+ Brenda Ory

THE ASSOCIATION: _____

By: STEWART RODGERS

Title: PRESIDENT

Mailing Address: _____

962 N 3550 W

Layton UT 84041

E-mail Address: STEWART@SIRGROUPONLINE.COM

WITNESS:

AGENT: Welch Property Management

By: PRIMA MORRIS

Title: PROPERTY MANAGER

Mailing Address: P.O. Box 12125

OGDEN, UTAH 84412

E-mail Address PRIMA@WELCHAGENCY.COM