

11. Limitations/Exceptions to Indemnification. The indemnification obligations of Owner, as set forth in this Agreement shall not apply to any actions which are a result of any acts by Newport Pacific which are not authorized by the Owner or which are not in accordance with the terms of this Agreement.

Notwithstanding anything to the contrary, Newport Pacific shall indemnify, defend and hold Owner, its officers, directors, employees and agents, harmless from any and all claims, actions, suits, proceedings, losses, damages, liabilities, deficiencies, fines, penalties or other expenses, including, but not limited to, attorneys' fees and costs of suit, incurred directly or indirectly, resulting or arising out of any cause of action or claims filed against Newport Pacific and/or Owner, in connection with Newport Pacific's own negligence, gross negligence, failure to act or intentional acts, or any actions which are not either authorized by the Owner or which are outside the scope of Newport Pacific's duties under this Agreement.

The foregoing indemnification is separate and distinct from Newport Pacific's indemnification obligations under Paragraph 7 hereof.

Newport Pacific warrants and represents that it maintains Errors & Omissions Insurance, in an amount of not less than \$1,000,000.00, and a blanket liability and property damage insurance policy, of not less than \$2,000,000.00, per each accident or occurrence.

12. Failure to Maintain Licenses or Make Repairs. Newport Pacific shall not be in breach of its obligations for failure to maintain any licenses or to correct any deficiencies, provided that: (i) Newport Pacific immediately notifies Owner in writing of such required license and/or work; and (ii) the failure to obtain such license or to authorize and/or expedite such work is solely as a result of the unwillingness or inability of Owner to approve or fund such repairs or expenses. Notwithstanding anything else to the contrary in this Agreement, or in the Exhibits attached to this Agreement, Owner shall be responsible for any and all costs related to compliance.

13. Legal Representation/Litigation. When legal representation is required for matters relating to the operation of the properties, including, but not limited to actions for unlawful detainer and/or eviction, such actions shall be conducted through counsel selected by Newport Pacific, and as approved by Owner. Fees and expenses relating to the operation of the Property shall be an expense of the Property. Any such counsel shall report to Newport Pacific and Owner, unless Owner directs otherwise.

14. Assignment. Neither Party will transfer or assign this Agreement or any interest in this Agreement without the express written consent of the other Party.

15. Independent Contractor. The Parties agree that Newport Pacific shall be an independent contractor and not an associate, agent or employee of Owner. Except as expressly provided in this Agreement and as otherwise provided by law, the manner and means of managing the Property shall be within the sole control of Newport Pacific. Neither Newport Pacific nor any of its officers, employees and agents is entitled to any benefits that Owner may provide to its employees, including worker's compensation.