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7 Attorneys for Defendant *PC Village Association, Inc.*

9 **SUPERIOR COURT OF THE STATE OF ARIZONA**
10 **COUNTY OF COCONINO**

11 ROBERT R. HAWK and CECELIA J.
12 HAWK, husband and wife,
13
14 Plaintiffs,
15
16 v.
17
18 PC VILLAGE ASSOCIATION, INC., an
19 Arizona corporation,
20
21 Defendant.

NO. CV2011-00775

NOTICE OF APPEAL

(Assigned to the Honorable Mark R. Moran)

18 NOTICE IS GIVEN that Defendant PC Village Association, Inc. appeals to
19 the Arizona Court of Appeals, Division One, from the court's signed March 26, 2012
20 Order – Advisement Ruling, and from all interim rulings and any final Judgment awarding
21 fees entered in this case.
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1 DATED this 20th day of April, 2012.

2 JONES, SKELTON & HOCHULI, P.L.C.

3
4 By 

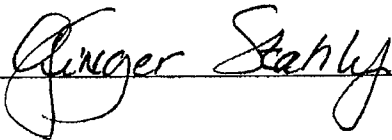
5 Edward G. Hochuli
6 J. Gary Linder
7 Jonathan D. Confer
8 Lori L. Voepel
9 2901 North Central Avenue, Suite 800
10 Phoenix, Arizona 85012
11 Attorneys for Defendant *PC Village*
12 *Association, Inc.*

13 ORIGINAL of the foregoing sent via Federal Express
14 for filing this 20th day of April, 2012, to:

15 Clerk of the Court
16 Civil Filings
17 Coconino County Superior Court
18 200 N. San Francisco St. (Courthouse)
19 Flagstaff AZ. 86001

20 COPY of the foregoing mailed this 20th day of April,
21 2012, to:

22 Tevis Reich
23 Attorney at Law
24 6 East Dale Avenue
25 Flagstaff, Arizona 86001
26 Attorney for *Plaintiffs*

27 
28

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
IN AND FOR THE COUNTY OF COCONINO



Mark R. Moran, Presiding Judge
Division 3
Date: March 26, 2012

Carla D. Baber, Judicial Assistant

ROBERT R. HAWK and CECELIA J.)	RECEIVED
HAWK, husband and wife,)	MAR 30 2012
)	
Plaintiffs/Counter Defendants,)	JGL
vs.)	
)	Case No. CV2011-00775
)	
PC VILLAGE ASSOCIATION INC.,)	
an Arizona Corporation,)	UNDER-ADVISEMENT RULING
)	
Defendant/Counter Plaintiff.)	

Re: Plaintiff's Motion for Summary Judgment/Defendant's Cross Motion to Declare Statute Unconstitutional

I. STATEMENT OF FACTS

The facts are largely undisputed. Plaintiffs purchased Lot 197 in the Pine Canyon Subdivision (Pine Canyon) in Flagstaff, Arizona in 2009. The Defendant P.C. Village Association, Inc. (PCV) is the homeowner's association (HOA) for Pine Canyon. Pine Canyon is subject to a Declaration of Covenants Conditions and Restrictions (CCR's). The original CCR's were recorded in 2002, and the amended version in 2004. The property is subject to the CCR's, and they run with the land and are binding on the property and all parties having any right, title or interest in the property. [Plaintiff's MSJ, Exhibit 1, pg. 2].

Plaintiff's put a "For Sale" sign on their property on August 16 and again on August 17, 2011. The Defendant caused the signs to be removed and informed Plaintiffs that posting a "for sale" sign was a violation of the CCR's. Section 12.3 of the CCR's states:

"No sign of any kind shall be Visible from Neighboring Property without the approval of the Village Association or the Design Review Committee, except: (a) signs used by Developer or any Related Party in connection with the development or sale of Lots, Tracts or Condominium Property of the Property; (b) signs required by legal proceedings, or the prohibition of which is precluded by law; or, (c) signs required for traffic control and regulation of Common Areas, No "For Sale" or "For Rent" sign may be posted on any Lot, Tract or Condominium Property."

Each of the parties filed a statement of facts in support of their motion. The Court accepts as true the statement of facts for purposes of the motion for summary judgment, with the exception of Defendant's SOF #10.

II. LEGAL ISSUE

Did the passage of A.R.S. §§ 33-441 and 33-1808(F) make null and void section 12.3 of the CCR's which prohibits owners from posting "For Sale" signs on their property?

Is section 12.3 of the CCR's a violation of the property owner's constitutional right to commercial speech?

III. LAW

The applicable statutes are A.R.S. §§ 33-441 and 33-1808(F).

A.R.S. § 33-441. For sale signs; restrictions unenforceable

A covenant, restriction or condition contained in any deed, contract, security agreement or other instrument affecting the transfer or sale of any interest in real property shall not be applied to prohibit the indoor or outdoor display of a for sale sign and a sign rider by a property owner on that person's property, including a sign that indicates the person is offering the property for sale by owner. The size of a sign offering a property for sale shall be in conformance with the industry standard size sign, which shall not exceed eighteen by twenty-four inches, and the industry standard size sign rider, which shall not exceed six by twenty-four inches.

A.R.S. § 33-1808(F) states in part:

Notwithstanding any provision in the community documents, an association shall not prohibit or charge any fee for the use of, the placement of or the indoor or outdoor display of a for sale sign and a sign rider by an association member on that member's property including a sign that indicates the member is offering the property for sale by owner. The size of a sign offering a property for sale shall be in conformance with the industry standard size sign rider which shall not exceed six by twenty-four inches. With respect to real estate for sale or lease in the planned community, an association shall not prohibit or otherwise regulate in any way other than specifically authorize by this section any of the following:

1. Temporary open house signs or a member's for sale sign. The association shall not require the use of particular signs indicating an open house or real property for sale and may not further regulate the use of temporary

open house or for sale signs that are industry standard size and that are owned or used by the seller or the seller's agent.

The applicable Rule of Civil Procedure is Rule 56:

The granting of summary judgment is appropriate where, "the facts produced in support of the claim or defense have so little probative value, given the quantum of evidence required, that reasonable people could not agree with the conclusion advanced by the proponent of the claim or defense." Orme School v. Reeves, 166 Ariz. 301, 309, 802 P.2d 1000 (1990).

IV. DISCUSSION

The Plaintiffs contend that the ban on "For Sale" signs in the CCR's violates A.R.S. §§ 33-441 and 33-1808 and their constitutional right to commercial speech. The Defendant argued that the CCR's were adopted and binding on the property owners and their successors in Pine Canyon prior to the enactment of A.R.S. §§ 33-341 and 33-1808, and that the Legislature did not provide that the statutes were retroactive. In the alternative, the Defendant argued that the statutes were unconstitutional because they were an impairment of a contract.

Although disputed by the Plaintiffs, the Court accepts as true for purposes of this motion that some of the residents in Pine Canyon find posted "For Sale" signs to be an eyesore. (Defendant Statement of Facts, #8 and #10). To the extent that Defendant alleges through affidavits that the posting of "For Sale" signs would have a negative impact on the property values of the neighboring properties, the Court does not accept this fact as true because there was no evidence to support this assertion. (Defendant's SOF, #10).

The Court also accepts as true the facts set forth in the affidavit attached to Plaintiff's Reply (Exhibit 4).

(A) The CCR's

The CCR's in section 12.3 restrict the posting of "For Sale" signs on the properties in Pine Canyon. Section 12.3(b) contains an exception to this general prohibition. It allows, "signs required by legal proceedings, or the prohibition of which is precluded by law."

A.R.S. §§ 33-341 and 33-1808(F) clearly preclude any restriction on a property owner's right to post a "For Sale" sign on their property, within reasonable guidelines for size and number. The legislative history of the statutes attached as exhibits to Plaintiff's motion clearly states that it was the intent of the legislature to prevent HOA's from limiting a homeowner's right to commercial speech and the ability to market their property. Furthermore, the history to SB1148 specifically states that the law will apply to a, "covenant, restriction or condition in any deed, contract, security agreement or other instrument affecting the sale or transfer of any interest in property..." It is

uncontroverted that the CCR's in question were part of the Plaintiff's purchase contract for the property and run with the property. Therefore SB 1148 is applicable to the CCR's which were part of the Plaintiff's purchase of their property in Pine Canyon. The same is true for SB 1062. The plain meaning of the language in A.R.S. § 33-341 and A.R.S. § 33-1808(F) nullified and voided that part of the CCR's in section 12.3 which banned "For Sale" signs.

The CCR's in question specifically state that if a part of their provisions are precluded by law, that portion (in this case the prohibition of posting a "For Sale" sign) becomes null and void. (Plaintiff's Exhibit 1, Section 18.3) In the present case, that portion of the CCR's precluded by law had no binding or legal effect on Plaintiffs. The Court also finds that the intent of the Legislature in passing SB 1148 was to specifically make the law applicable to any existing covenant, restriction or condition contained in any deed, contract, security agreement or other instrument affecting the sale or transfer of any interest in real property, and that this includes the CCR's in question in this case. This conclusion is supported by the plain reading of the legislative history (Plaintiff's Exhibit 3).

The Plaintiffs argued that A.R.S. § 33-1808(F) was not retroactive but should be applied prospectively. It was uncontroverted that the statute was passed after the CCR's were recorded, and prior to the purchase of the property by the Plaintiffs and their attempted sale of the property.

Arizona courts have held that the Legislature can pass laws which affect the rights of parties to contracts for future matters which follow the enacted laws and which are not already in litigation. [see: *Tower Plaza Inv. Ltd. V. DeWitt*, 109 Ariz. 248, 250, 508 P.2d 324, 326 (1973)]. In that case, a transaction privilege tax that taxed the rent collected on leased property was applied to long-term leases that had been entered into prior to the passage of the tax; The plaintiffs, the landlords of the property, maintained that the tax could not be applied to leases already in effect prior to the passage of the tax. They argued, as did the Defendant in this case, that the assessment of any tax on the basis of these purchases, "impairs petitioner's rights under existing valid contracts, and is retrospective, discriminatory, and unconstitutional." Id. The holding in the *Tower Plaza* case demonstrates that the legislature may pass new law that affects existing valid contracts without running afoul of the Constitution.

The court noted that to adopt the position of the landlords would create the anomaly whereby private parties could avoid the exercise of police power by the state by entering into long-term contracts. The court held that the new tax was applicable to contracts or leases which were entered into antecedent to the passage of the tax stating, "The personal property involved was purchased by petitioner subsequent to the passage of the statute. And it is the purchase (or use) itself, not the signing of construction contracts ultimately necessitating the purchase, which is the taxable event. It is irrelevant in the present connection that the construction contracts were made prior to the date of the Act: a statute is not necessarily objectionable as being retroactive if antecedent facts affect its operation." Id.

(B) Impairment of Contracts Test and Public Policy

The Contract Clause of the United States Constitution prohibits states from passing laws impairing the obligation of contracts. U.S. Const. art. I, section 10; see also Ariz. Const. art. II, section 25. *Robson Ranch Quail Creek, LLC v. Pima County*, 215 Ariz. 545, 551, 161 P.3d 588, 594 (App.2007). When analyzing a challenge to a law based on the Contract Clause, we ask whether the law substantially impairs a contractual relationship. *Id.* If the law, “constitutes a substantial impairment, the State, in justification, must have a significant and legitimate public purpose behind the regulation.” *Id.* at 552. [citing: *Energy Reserves Group, Inc. v. Kan. Power & Light Co.*, 459 U.S. 400, 411, 103 S.Ct. 697, 704, 74 L.Ed.2d 569 (1983).

The Defendant set forth in its papers the impairment of contracts test for the Court to apply to determine whether the statutes in question substantially impaired the contract in this case. The three part test is:

- 1) Has the state law operated as a substantial impairment of a contractual relationship?
- 2) If so, is there a significant and legitimate public purpose behind the legislation?
- 3) If a legitimate public purpose has been identified, is the adjustment of the rights and responsibilities of the contracting parties based upon reasonable conditions and of a character appropriate to the public purpose justifying the adoption of the legislation? *McClead v. Pima County*, 174 Ariz. 348, 359 (App. 1992).

In this case, the Defendant has the burden of proving that the statutes in question operated as a substantial impairment of their contractual relationship with the property owners in Pine Canyon. *Hall v. A.N.R. Freight Sys., Inc.* 149 Ariz. 130, 133, 717 P.2d 434, 437 (1986). As the Defendant cited in his papers, a contract is impaired when a party is deprived of the benefit of his contract by law. *Tower Plaza Inv* at p. 252. Total destruction of the contractual expectations is not necessary for a finding of substantial impairment. However, the prohibition in the statute does not rise to the level of a constitutional impairment unless, “the impairment was substantial.” *Baker v. Ariz. Dept. of Revenue*, 209 Ariz. 56, 105 P.3d 1180, 1184 (App. 2005).

In the *Robson* case cited above, the dispute was between the developer and the County when the County decided to raise the fees on sewer hookups. The developer cited an agreement with the County from an earlier stage of the development when it argued that the new fee operated as a substantial impairment. The agreement however, did not contain a provision that the prior connection fee structure would always exceed the cost of construction, therefore the court concluded that there was no reasonable expectation on the part of the developer that the fee would never change. The court concluded that the amended ordinance changing the fee structure did not substantially impair the developer’s rights under the original 1998 contract.

In the present case, the contract of the parties does not contain a provision that the rights and obligations of the parties would never change. To the contrary, both section 12.3 and 18.3 expressly provide for the contingency that the law may change and the contract could be affected. The parties did not have a reasonable expectation that homeowners in Pine Canyon would always be prohibited from displaying "For Sale" signs. As the Plaintiff's argued in their papers, HOA's have traditionally be subjected to regulation by the legislature. Other prohibitions contained in CCR's in the past have been declared contrary to the rights of homeowners and have been repealed by statute. The current situation should be no surprise to the Defendant or other property owners. Finally, the parties would not be deprived of the benefit of the contract by finding section 12.3 null and void. The HOA can still regulate the signs, and the property owners will still have the same rights to enjoy their property.

The Court concludes that the interpretation and application of the statutes to the CCR's does not constitute a significant impairment of the contractual relationship between the parties. Even assuming, *arguendo*, that it was a significant impairment of a contractual right, an analysis of steps 2 and 3 of the test demonstrates that there is a legitimate public purpose behind the legislation which justifies application of the statutes to the CCR's in this case. The statutes insure that every homeowner has the right to commercial speech in selling their property. The HOA retains the right and has the ability to reasonably regulate that speech, but they cannot muzzle it. The statutes serve a practical purpose in assisting a homeowner in a terrible real estate market to sell their property should they wish to do so. This is consistent with the basic rights that are the foundations of property ownership.

Finally, this result is consistent with the public policy goals and considerations of the laws and the rights of the present and future property owners in Pine Canyon. Granted some property owners may consider the posting of "For Sale" signs an eyesore. The argument that the posting of a "For Sale" sign may have a negative economic impact on property owners within Pine Canyon is speculation. This aesthetic concern is outweighed by a property owner's right to the commercial speech and to the unencumbered transferability of his property. For Sale signs have always been an important part of these rights. They serve multiple purposes beyond merely advertising the availability of a property. They can also be an interactive arm of the owner in promoting the property for sale. A person driving by a home may be able to get important information and access photographs of the interior of a property without ever leaving their car. This right was clearly described by the United States Supreme Court in their decision *Linmark Assoc., Inc. v. Willingboro Tp.*, 413 U.S. 85, 97 S.Ct. 1614, (1977).

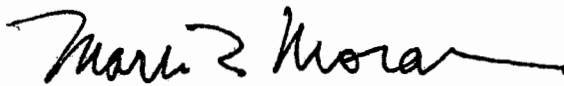
V. CONCLUSION

Pursuant to Rule 56, the Court finds that there is no genuine issue of material fact and that Plaintiffs should be granted summary judgment as a matter of law.

Therefore, **IT IS ORDERED** that the provision in the CCR's section 12.3 which prohibits the posting of "For Sale" signs on the subject property is declared illegal, null and void.

FURTHER ORDERED that the Court finds that A.R.S. §§ 33-1808(F) and 33-414 permit Plaintiffs to post a "For Sale" sign and rider on their property, and Defendant is enjoined from removing a "For Sale" sign posted on Plaintiff's property which conforms to reasonable regulations related to its sign and number.

The Court grants the Plaintiffs their reasonable costs and attorney's fees pursuant to A.R.S. § 12-341.01(A).



Hon. Mark R. Moran

cc: Tevis Reich, c/o courthouse box
Jonathan Confer/J. Gary Linder, 2901 N. Central Ave., Suite 800, Phoenix, AZ 85012

1 Edward G. Hochuli, Bar #004566
J. Gary Linder, Bar #020522
2 Lori L. Voepel, Bar #015342
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3 2901 North Central Avenue, Suite 800
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glinder@jshfirm.com
6 lvoepel@jshfirm.com
minuteentries@jshfirm.com

7 Attorneys for Defendant *PC Village*
8 *Association, Inc.*

9 **SUPERIOR COURT OF THE STATE OF ARIZONA**

10 **COUNTY OF COCONINO**

11 ROBERT R. HAWK and CECELIA J.
12 HAWK, husband and wife,
13 Plaintiffs,
14 v.
15 PC VILLAGE ASSOCIATION, INC., an
Arizona corporation,
16 Defendant.

NO. CV2011-00775

AMENDED NOTICE OF APPEAL

(Assigned to the Honorable Mark R.
Moran)

17
18 Defendant PC Village Association, Inc., hereby submits its Amended Notice
19 of Appeal, incorporating both the March 26, 2012 Order and May 24, 2012 Order, and the
20 signed Judgment entered May 24, 2012.

21 DATED this 12th day of June, 2012.

22 JONES, SKELTON & HOCHULI, P.L.C.

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24 By 

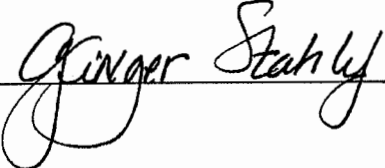
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J. Gary Linder
Lori L. Voepel
25 2901 North Central Avenue, Suite 800
26 Phoenix, Arizona 85012
27 Attorneys for Defendant *PC Village*
Association, Inc.

1 ORIGINAL of the foregoing sent via Federal Express
2 for filing this 12th day of June, 2012, to:

3 Clerk of the Court
4 Civil Filings
5 Coconino County Superior Court
6 200 N. San Francisco St. (Courthouse)
7 Flagstaff AZ. 86001

8 COPY of the foregoing mailed this 12th day of
9 June, 2012, to:

10 Tevis Reich
11 Attorney at Law
12 6 East Dale Avenue
13 Flagstaff, Arizona 86001
14 Attorney for *Plaintiffs*

15 
16 _____

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RECEIVED

MAY 31 2012

JGL

DEBORAH YOUNG, CLERK

[Signature]

MAY 24 AM 9:14

FILED

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

IN AND FOR THE COUNTY OF COCONINO

Mark R. Moran, Presiding Judge
Division 3
Date: May 24, 2012

Deborah Young, Clerk
Jenee' Silva, Deputy Clerk
Jonna Baker, Court Reporter

MINUTE ENTRY

ROBERT R. HAWK and CECELIA J. HAWK, husband and wife,
Plaintiffs,
vs.
PC VILLAGE ASSOCIATION, INC., an Arizona corporation,
Defendants.

Cause No. CV 2011-00775

ACTION: Oral Argument re: Application for Attorney Fees /
Oral Argument re: Rule 62(C) Motion to Suspend Enforcement
of Court's March 26, 2012 Ruling Pending Appeal - (UNDER
ADVISEMENT)

APPEARANCES: The Plaintiff is present with counsel, Tevis Reich. Counsel, J. Gary Linder is present telephonically on behalf of the Defendant.

10:00 a.m. Court is in session.

The Court notes this is the time set on the Court's calendar for a hearing on an Application for Attorney Fees and the recently received Rule 62 (C) Motion to Suspend Enforcement of Court's March 26, 2012 Ruling Pending Appeal.

The Court states that It has reviewed the Petition for the Application of Attorney Fees, together with the exhibits attached thereto, the Opposition and the Reply.

10:03 a.m. Court recesses to address technical difficulties.

10:07 a.m. Court reconvenes.

SCANNED

Hawk, et al v. PC Village Assoc., Inc.
Cause No. CV 2011-00775
May 24, 2012

The Court recalls the case. The Plaintiff is present with counsel, Tevis Reich and Counsel, J. Gary Linder is present telephonically on behalf of the Defendant.

The Court reiterates that It has reviewed the Petition for the Application for Attorney Fees, together with the exhibits, the Opposition thereto, and the additional request pursuant to Rule 62(C). The Court further states It has reviewed the Memorandum.

Counsel Linder presents oral argument to support his objection to the Application for Attorney Fees.

Counsel Reich marks Plaintiff's exhibit no. 1 for purposes of identification.

Counsel Linder continues to present argument.

Counsel Reich presents his Response and provides the Court with a Supplemental Affidavit of Attorney Fees and costs to include all changes up to this date.

Upon Court inquiry, Counsel Linder advises that he prepared the billing statement (exhibit no. 1) pursuant to a subpoena issued by the Plaintiff. Further, said counsel has no objection to the admission of exhibit no. 1. **IT IS ORDERED** admitting exhibit no. 1 into evidence.

The Court places Its **FINDINGS** on the record.

IT IS ORDERED granting the original Application for Attorney Fees and Costs filed on March 30, 2012.

FURTHER ORDERED granting the Supplemental Application for Attorney Fees and Costs filed on April 20, 2012.

The Court addresses Counsel Reich with regard to the charges on page 1 of the exhibit no. 1 attached to the Second Supplemental Application for Attorney Fees and Costs.

The Court places further **FINDINGS** on the record.

FURTHER ORDERED granting the Second Application for Attorney Fees and Costs only as to the charges on page 2 of exhibit no. 1, to wit, May 22, 2012 and May 23, 2012, as well as the costs associated with the issuance and service of the subpoena.

Court and counsel confer regarding the Motion for Stay of Court's Ruling on March 26, 2012, pending the appeal.

Hawk, et al v. PC Village Assoc., Inc.
Cause No. CV 2011-00775
May 24, 2012

Counsel agree to address this issue without the necessity of submitting written pleadings.

Counsel Linder presents oral argument on his position on the Motion to Stay Court's Order of March 26, 2012, pending the appeal.

Counsel Reich presents his Response.

Counsel Linder presents his Reply.

Upon Court inquiry, Counsel Reich advises that the Court, in Its Under Advisement Ruling did Order that the Defendant's are enjoined from removing a "For Sale" sign from Plaintiff's property, however, the Court did not issue a formal injunction.

IT IS ORDERED taking the Rule 62(C) Motion to Suspend Enforcement of Court's March 26, 2012 Ruling Pending Appeal **UNDER ADVISEMENT**.

Counsel Reich presents statements regarding certain items that were previously stricken from the Court record.

The Court advises It will not reiterate the Court's previous rulings.

The Court further advises It will issue Its Ruling today.

10:27 a.m.: Hearing is adjourned.



cc: Tevis Reich ESQ
J. Gary Linder ESQ – 2901 No. Central Ave., Ste. 800, Phoenix, AZ 85012

DEBORAH YOUNG, CLERK
BY _____ DEPUTY

12 MAY 24 PM 4:38

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
IN AND FOR THE COUNTY OF COCONINO

ROBERT R. HAWK and CECELIA J. HAWK,
husband and wife,

Plaintiffs,

and

PC VILLAGE ASSOCIATION, INC., an
Arizona corporation,

Respondent

Cause No. CV 2011-00775

Hearing re: Oral Argument
re: Application Attorney Fees

Date: 05/24/2012

LIST OF EXHIBIT

Prepared by: J. Silva

EXHIBIT					
Plaintiff		Defendant		No.	Description
Marked	Admitted	Marked	Admitted		
05/24/12	05/24/12			1	Invoice re: attorney fees of Jones, Skelton & Hochuli

Exhibit in File

cc: Tevis Reich
J. Gary Linder

SCANNED

SUPERIOR COURT OF ARIZONA
COCONINO COUNTY

CLERK

DEPUTY

12 MAY 24 PM 1:32

FILED

ROBERT R. HAWK and CECELIA J. HAWK, husband and wife,

Case No.: CV 2011-00775

Plaintiffs/Counter Defendant,

JUDGMENT

vs.

(the Honorable Mark Moran)

PC VILLAGE ASSOCIATION INC., an Arizona Corporation,

Defendant/Counter Plaintiff.

On March 26, 2012 the Court entered Summary Judgment in favor of Plaintiffs.

The ruling resolved all issues in the case and awarded Plaintiffs' their reasonable attorney's fees pursuant to A.R.S. §12-341.01(A) and costs pursuant to A.R.S. § 12-341.

On May 24, 2012 the Court heard oral argument on the claim for attorney's fees.

After argument, and having considered Plaintiffs' Affidavit for Attorney's Fees and Costs, and the response and reply thereto, and the First and Second Supplemental Affidavit of Attorney's Fees and Costs, the Court hereby enters judgment in favor of Plaintiffs Robert and Cecilia Hawk and against Defendant PC Village Association, Inc.:

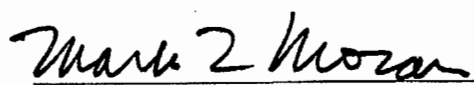
1. For attorney's fees and costs which, the Court finds reasonable, as follows:

ATTORNEYS FEES ORIGINAL AFFIDAVIT	\$ 19,476.50
COSTS ORIGINAL AFFIDAVIT	\$ 296.00
ATTORNEYS FEES 1 st SUPPLEMENTAL AFFIDAVIT	\$ 1,216.50
ATTORNEYS FEES 2 nd SUPPLEMENTAL AFFIDAVIT	\$ 770.00
COSTS 2 nd SUPPLEMENTAL AFFIDAVIT	\$ 61.00
TOTAL	\$21,820.00

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All sums shall accrue interest from the date of Judgment at the rate of 4.25% plus after accruing attorney's fees and costs of collection. This judgment is final as to all parties and claims.

Done and ordered this 24 day of May, 2012.



Mark Moran
SUPERIOR COURT JUDGE

cc: 5-24-12 jr
Tevis Reich, Courthouse Box
Edward G. Hochuli, J. Gary Linder, Jones, Skelton & Hochuli, P.L.C., 2901 N. Central Ave.,
Suite 800, Phoenix, AZ 85012