

SUPERIOR COURT OF ARIZONA
MARICOPA COUNTY

CV 2007-014930

12/18/2007

HON. EDWARD O. BURKE

CLERK OF THE COURT
T. Melius
Deputy

MARGARET A BORSKI

MATTHEW M ELLINGSON

v.

SCOTT C HOWARD

SCOTT C HOWARD
7111 N 75TH AVE #1111
GLENDALE AZ 85303

DALE SCHANDLER
KELLER WILLIAMS REALTY
7025 W. BELL ROAD, STE 10
GLENDALE AZ 85308

ORDER FOR APPOINTMENT OF SPECIAL COMMISSIONER
FOR SALE OF REAL PROPERTY

The Court, having conducted a hearing on Plaintiff's Motion to Compel Partition and the parties having stipulated that the Court would appoint a Special Commissioner for Sale of Real Property to sell the property at issue with the right of the parties to supply names of proposed special commissioners to the Court by noon on Friday, November 30, 2007. The parties not having supplied any names by noon on Friday, November 30, 2007; and not having responded to inquiries from the Court's judicial assistant, the Court will make the following appointment.

(Plaintiff did file a list of names at 5:03 p.m. on November 30, 2007, but no copy was delivered to this division but none of the three names listed are on the Court's approved list of real estate commissioners.)

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Appointment. Dale Schandler of Keller Williams Realty Professional Partners, 7025 W. Bell Road, Suite 10, Glendale Arizona 85308 telephone (623) 910-3250 is appointed as the special commissioner for sale of real property located at 4426 N. 67th Drive, Phoenix Arizona 85037, and more particularly described as:

Lot 10404, MARYVALE TERRACE NO. 26 AMENDED, according to Book 90 of Maps Page 10, Records of Maricopa County Arizona

Insurance. The Special Commissioner shall maintain a policy of Errors and Omissions Insurance consistent with the amount the Special Commissioner was required to have in place when he or she was authorized to act as a Special Commissioner, plus the amount of any increases ordered by the Presiding Court by Administrative Order issued from time to time.

Cooperation and Access. The parties and their attorneys shall cooperate in good faith in providing access to the property by the Special Commissioner. The party in possession of the premises shall provide the Special Commissioner with a key to the property within 48 hours after a request by the Special Commissioner. The Special Commissioner shall attempt to give reasonable notice to the parties before gaining access to the premises at reasonable times.

Market Analysis and Appraisal. The Special Commissioner shall, within ten (10) days of being granted access to the premises, cause a market analysis of said property to be made, and shall deliver copies of said market analysis to the parties and (if applicable) to the parties' attorneys. Within ten (10) days after receipt of the market analysis either party may provide written comments about the market analysis to the Special Commissioner, and either party or the Special Commissioner may request an appraisal. The cost of the appraisal shall be paid by the requesting party or parties upon demand. The Special Commissioner shall have no obligation to obtain an appraisal unless the parties advance the appraisal fee, except in those cases when the Special Commissioner is requesting the appraisal. In such cases, the Special Commissioner shall advance the appraisal fee, to be reimbursed from the proceeds of the sale after close of escrow. The Special Commissioner shall elect any appraiser agreed to by both parties, except that if the parties are unable to agree, the Special Commissioner shall select an independent appraiser.

Listing. The subject real property shall be listed for sale in a commercially reasonable manner at the value estimated by the market analysis or, if applicable, at the appraised value. The parties shall execute and deliver a listing agreement substantially consistent with the current

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model listing agreement approved by Arizona Association of Realtor, and shall so deliver said listing agreement within three (3) days of presentation by the Special Commissioner. As used in this Order, the term "commercially reasonable manner" includes, but is not limited to [a] listing the property on the Multiple Listing Service (hereinafter, MLS), [b] stating a fair description of the properties' features, and [c] a statement of terms the sellers and the Special Commissioner will, and (as appropriate) will not, consider. If either party fails or refuses to execute the listing agreement as presented, the Special Commissioner may sign for them. The listing agreement shall contain a provision that "the sale is subject to court approval."

Reports. The Special Commissioner shall upon request by either party or the Court report, in writing, the efforts made to sell the property. The Special Commissioner shall deliver copies of said report to both parties and (if applicable) their counsel, every 30 days. Said report shall include recommendations, if any, for changes to the offering terms. The report shall not be filed directly with the Court, however, either party may submit any or all reports for the Court's consideration in further proceedings.

Offers. The parties shall consider all written offers for purchase of the subject real property. Approval of terms of offer shall not be unreasonably withheld; approval, rejection, or counter-offer shall be made timely and in the manner necessary to consummate an arms-length real property transaction.

Changes. The Special Commissioner shall determine if reasonable changes are necessary to the terms of listing the property for sale if, after a period of not less than 90 days from the date of first publication in the MLS , the property remains unsold. As applied herein, "unsold" means the parties have not accepted a written offer for sale. The Special Commissioner shall make a recommendation in writing to the parties, and, if applicable, to their attorneys. If either party fails, neglects or refuses to deliver a written approval to/of changes to the terms of listing recommended by the Special Commissioner, the Special Commissioner or either party may petition the Court for hearing. Pending hearing, changes to the terms of listing suggested by the Special Commissioner shall be the terms which the property is offered for sale; the MLS listing shall note stated terms under these conditions to be "subject to Court approval". If neither party has requested a hearing within ten (10) days of mailing to their last known address or delivery of notice of the change recommended by the Special Commissioner, the recommendation shall be deemed accepted by the parties, and the phrase "subject to Court approval" may be removed from the MLS .

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Court Approval. If the Special Commissioner receives a written offer to purchase the subject real property that the parties, or either of them, reject, the Special Commissioner may petition the Court for an accelerated hearing and for acceptance of the offer. If, after the accelerated hearing, the Court determines the offer should be accepted, the Court may direct the Special Commissioner or the Clerk of Court, pursuant to Arizona Rules of Civil Procedure, Rule 70, to make, execute and deliver the appropriate documents for consummation of sale. The Court shall impose sanctions against the party having unreasonably withheld approval of sale.

Proceeds. Net proceeds of sale shall be impounded by the title company engaged by the Special Commissioner, pending written agreement of the parties or Order of the Court.

Commission. Upon close of escrow, the Special Commissioner and the selling broker shall be paid a commission consistent with the reasonable and customary fees paid to Realtors in similar transactions in Maricopa County, Arizona.

Purchase By Party. If either party wishes to purchase the subject real property, the purchasing party shall submit an offer to the other party in writing and provide a copy to the Special Commissioner. No party shall reject an offer unless that party can make a factual showing as to a reasonable basis for the rejection. All such offers that are rejected may be submitted to the Court for approval. If an owner purchases or the property is withdrawn from sale based upon an agreement of the parties, Special Commissioner compensation shall be paid as follows:

a. Offers made and accepted prior to an executed listing agreement that are approved by the Court or agreed to by the parties shall result in a reasonable fee for the time expended, including preparation of the market analysis.

b. Agreements to sell by the parties or agreements approved by the Court after the listing agreement shall subject the offering owner to payment of a fee to the Special Commissioner. The fee shall be the greater of one percent (1%) of the total selling price or a reasonable hourly fee for the efforts expended by the Commissioner based upon reasonable hourly rates to be approved by the Court. In all such cases, the out-of-pocket expenses of the Commissioner shall be paid directly by the purchasing owner. All such fees and costs shall be paid from the proceeds of the sale. In the event the proceeds of the sale are insufficient to pay

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the Special Commissioner costs and fees, those fees shall be paid by the purchasing owner prior to close of escrow.

c. If, after receipt by the Special Commissioner of a bona fide offer to purchase the real Property from a third party, either owner makes a written offer to purchase the real property, which offer is approved by the Court, the purchasing owner shall pay a commission to the Special Commissioner in the amount of three and one-half percent (3.5%) of the total selling price. A bona fide offer means an offer from a qualified purchaser presenting commercially reasonable terms. Payment of the Special Commissioner's fee shall be part of the Court's Order of approval requiring the payment as a contingency to the close of escrow.

Repairs.

The Real Estate Commissioner may recommend that certain repairs to the property be made to effectuate its sale. Either of both of the parties may advance monies for the repairs and be reimbursed for the same from the proceeds of the sale.

Sanctions. The Court may impose additional sanctions for a party's unreasonable behavior under this order, including, but not limited to, adding an additional one percent (1%) of the selling price as compensation for services rendered as Special Commissioner, over and above the reasonable and customary fees paid for similar services not involving a Special Commissioner within Maricopa County. Other sanctions may include contempt, an award of attorney's fees, or removal from the premises.

Contact information for Plaintiff is through counsel, Matthew Ellingson (602) 277-0420 and for Defendant is Scott C. Howard (623)204-5301.

/ s / HON. EDWARD O. BURKE

JUDICIAL OFFICER OF THE SUPERIOR COURT