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MICHAEL K. JEANES, Clerk  
By *G. Verbil*  
G. Verbil, Deputy

**MARITAL SETTLEMENT AGREEMENT**  
**FC 2006-054368**

THIS AGREEMENT is made and entered into at Phoenix, Arizona, on this 21<sup>st</sup> day of November, 2007, between the parties, Kenneth J. Love ("Ken"), of Phoenix, Arizona, and Brenda K. Church ("Brenda"), of Phoenix, Arizona. The parties make this Agreement in accordance with the provisions of A.R.S. Section 25-317 for the purposes of fairly and equitably determining and settling any and all issues arising from their marital relationship and the dissolution thereof, including but not limited to their joint, common and separate property and obligations, spousal maintenance and other periodic payments.

**WITNESSETH:**

1) The parties were married on April 17, 1988, in Phoenix, Arizona and since then have been, and now are, Husband and Wife.

2) One (1) child was born of this marriage, namely, Hannah E. Love, born February 2, 1991 ("Hannah"). Brenda is not pregnant.

3) In the opinion of the parties hereto, their marriage is irretrievably broken and no possibility of a reconciliation exists due to irreconcilable differences. They now desire and intend to live separate and apart from one another. As a result of their differences and disputes, Brenda has commenced an action seeking dissolution of the marital relationship, which action is presently pending in the Maricopa County Superior Court under Case No. FC2006-054368. The parties understand that instead of entering into this Agreement, they have a right to proceed with litigation and to seek a judicial determination of the issues covered by this Agreement, but, notwithstanding such right, the parties desire to avoid the delay, expense and risk of litigation, and they believe that their interests will be better served by the terms and provisions of this Agreement.

4) The parties deem it in their respective best interests, and desire by this Agreement amicably to settle all issues arising out of, or related to, their marriage, and to mutually declare and resolve their rights and claims of every sort including rights to all property acquired by either or both of them during their marriage and prior thereto.

5) In agreeing to an amount of child support, the parties have considered the provisions of A.R.S. Section 25-320, including the child support guidelines of A.R.S. Section 25-320 and have been further advised that the basic child support obligation, as determined by the formula contained in A.R.S. Section 25-320 would presumptively result in the correct amount of child support to be awarded; and the parties have considered such provisions, as well as the deviation factors enumerated in A.R.S. Section 25-320(D)(1) through (7).

6) The parties are aware that under the provisions of A.R.S. Section 25-320(F), the court will retain jurisdiction over the issue of child support until the minor child reaches the age of majority, and that if a minor child reaches the age of majority while that child is attending high school or a certified high school equivalency program, such jurisdiction shall continue during the period in which that child is actually attending high school or the equivalency

program, but only until that child reaches the age of nineteen (19) years, absent further order of the Court.

7) In agreeing that the terms and conditions of this Agreement are a fair and equitable distribution of their property and obligations, the parties have considered all of the statutory factors contained in A.R.S. Sections 25-318(A), 25-211 and 25-213 through 25-215.

8) Ken's social security number is XXX-XX-3620 and Brenda's social security number is XXX-XX-4019.

THEREFORE, in consideration of the covenants between the parties to be kept and performed, the sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. Property of Brenda. All right, title, and interest to property described below is hereby conveyed and transferred to Brenda as her sole and separate property:

- a. The residence located at [REDACTED] e, Phoenix, Arizona 85007, subject to all debt thereon, as more fully described in paragraph 5 (II) below.
- b. Fifty percent of all funds in the accounts listed in paragraph 17 below.
- c. Farm land located in Howard County, Iowa, as more fully described in paragraph 6 below.
- d. The 2003 Audi vehicle, subject to the debt thereon, as more fully described in paragraph 15 below.
- e. CGM IRA with citigroup SmithBarney account ending in B809, less the sum of \$29,089 awarded to Ken to equalize retirement assets.
- f. CGM IRA with citigroup SmithBarney account ending in number 31-19, representing her interest in the Gammage & Burnham, PLC retirement account.
- g. A 50% interest in the residence located at [REDACTED] e, Phoenix, Arizona 85020, subject to the terms and conditions in paragraph 5 (I) below.
- h. Citigroup SmithBarney account ending 31572-18.
- i. Northwestern Mutual Life Insurance policy number ending in 8246.
- j. New York Life Insurance Company policy through the American Bar Ass'n.
- k. Transamerica Occidental life insurance policy through Gammage & Burnham.

2. Property of Ken. All right, title, and interest to property described below is hereby conveyed and transferred to Ken as his sole and separate property:

- a. Fifty percent of all funds in the accounts listed in paragraph 17 below.
- b. Franklin Templeton Investments account ending 9958, as more fully described in paragraph 18 below.
- c. Citigroup SmithBarney account ending, as more fully described in paragraph 18 below.
- d. The 2006 Nissan Maxima, subject to the lease obligations thereon, as more fully described in paragraph 15 below.

- e. His interest in the Arizona State Retirement System retirement account ending in number 3620.
- f. CGM IRA with citigroup SmithBarney account ending in 40-12, plus the sum of \$29,089 transferred to Ken from Brenda's CGM IRA citigroup SmithBarney account ending in B809.
- g. CGM SEP IRA with citigroup SmithBarney account ending in 84-19.
- h. A 50% interest in the residence located at [REDACTED] Phoenix, Arizona 85020, subject to the terms and conditions in paragraph 5 (I) below.
- i. Northwestern Mutual life insurance policy number ending in 1616.
- j. New York Life Insurance Company policy through the American Bar Ass'n.

9) Household Goods, Furnishings, and Other Property. The parties have divided all household goods, appliances, furnishings, tools, clothing, jewelry, and other similar property. Any such undivided personal property shall be the sole and separate property of the party in possession thereof as of the date hereof, except as otherwise set forth herein.

Any undivided family photographs, family videos, memorabilia and the like which both parties wish to have, shall be reproduced and the parties shall equally share in the cost. The family dog, Roxie, shall be property of Brenda. The original painting of the family dog shall be delivered to Brenda. If Ken desires to have a reproduction of the painting, he may do so at his expense and, subject to the reproduction rights reserved to the artist under applicable copyright laws, shall retain reproduction rights to the foregoing painting.

#### 4. Community Debts.

A. Brenda shall pay, assume, indemnify, save and hold Ken harmless from the following community debts:

- i. All fees and costs owed to Aris J. Gallios & Associates, P.C.
- ii. Debts incurred by Brenda since 12/26/06.
- iii. Sears debt with approximate balance of \$3,696.
- iv. Ultimate Electronics (GE) debt with approximate balance of \$1,907.
- v. Johnson Bank, account number ending 0563, which had an approximate outstanding balance of \$121,924 as of November 20, 2007
- vi. Undisclosed debts in Brenda's name, if any.

B. Ken shall pay, assume, indemnify, save and hold Wife harmless from the following community debts:

- i. All fees and costs owed to Charles I. Friedman, Esq.
- ii. Debts incurred by Ken since 12/26/06.
- iii. Nissan lease 2500 5754 161 (maturing on March 22, 2009).
- iv. Bruce Nelson, DDS debt in the approximate amount of \$50.
- v. Bank of America card with approximate balance of \$2,091.
- vi. Target National Bank card with approximate balance of \$1,630.

- vii. Chase Bank card with approximate balance of \$746.
- viii. Undisclosed debts in Ken's name, if any.

C. Each party shall pay, assume, indemnify, save and hold the other harmless from any debts presently in his or her name alone, and all debts secured by property assigned to him or her pursuant to this Agreement, except as set forth herein. Other than debts set forth herein, the parties have settled all community obligations and there are no remaining obligations known to either party, except for household expenses incurred by each party. Any debt of the parties not set forth in this Agreement will be paid and assumed by the party who incurred that debt and that party's failure to do so shall result in a right to indemnification by the other. Each party will also indemnify and hold the other party harmless as to legal malpractice liability which may have occurred during marriage and/or which may occur following the dissolution of this marriage and there shall be no community assumed as to any such claim that has been made or might be made in the future.

The parties agree and understand that the terms of this Marital Settlement Agreement regarding the division of debts do not bind third party creditors, nor does said agreement impair the rights of third party creditors to seek collection of debts from either party.

5. Real Estate.

I. Marital Residence.

The parties own certain community residential real estate located at 1018 East Kaler Drive, Phoenix, Arizona 85020 ("Marital Residence"), which is legally described as follows:

LOT TEN (10), ARBOLES DE NARANJAS,  
ACCORDING TO THE PLAT OF RECORD IN THE  
OFFICE OF THE COUNTY RECORDER OF  
MARICOPA COUNTY, ARIZONA IN BOOK 188 OF  
MAPS, PAGE 13.

The parties have agreed that Marital Residence will be transferred to Ken, as his sole and separate property, pursuant to a quit claim or other deed signed by Brenda and that Brenda shall cooperate fully in providing such a deed at the time of closing. In order to buy out Brenda's marital/community interest in Marital Residence, Ken will pay the sum of \$148,000 to Brenda within 24 hours of completion of his refinancing of Marital Residence. Ken has produced a letter of commitment, binding a lender to refinance the Marital Residence Debt. Ken shall close on the refinancing of the residence and the buyout no later than December 15, 2007..

- A. During the refinancing of Marital Residence and/or the sale of Marital Residence to Ken, Ken shall continue to reside in Marital Residence until further Court Order or until it is sold;

- B. Ken shall have all financial responsibility for Marital Residence mortgage, credit line payments, insurance, taxes, utilities and landscaping during refinancing of Marital Residence for purposes of effectuating Ken's purchase of the Marital Residence.
- C. For tax year 2007, the income tax benefits for the marital residence, including, but not limited to, interest and taxes shall be apportioned as specifically set forth in Paragraph 13(a), below.
- D. The parties agree to pay/fund the following directly from the proceeds of Ken's buyout of the marital residence:
  - (i) Chase Mortgage, account number ending 157, which had an approximate outstanding balance of \$246,845.62 as of November 5, 2007;
  - (ii) Johnson Bank, account number ending 0563, which had an approximate outstanding balance of \$121,924, as of November 20, 2007

If, for any reason, Ken fails to close on the buyout by December 15, 2007, the Marital Residence will be immediately re-listed with Jarson & Jarson and sold. The parties will agree upon a re-listing price and will take the advice of their listing agents as to the price, offers, counter offers and acceptance of offers. If, during the time Marital Residence is being sold, either party believes a Real Estate Commissioner is required, either party may apply for the appointment of a Real Estate Commissioner with the Court.

- E. The parties have entered into a separate Memorandum of Understanding "(MOU)" regarding the re-listing of the Marital residence in the event of Ken's failure to close refinancing and purchase. The terms of the MOU are intended to remain confidential, but are incorporated herein by reference.
- F. In the event of Ken's failure to close on the buyout, for tax year 2008, the parties will share the income tax benefits of the marital residence in accordance with their contributions thereto, as set forth in the MOU.
- G. In the event that Ken fails to close the buyout by the agreed-upon date and the property returns to the market, the parties agree to pay the Chase Mortgage loan, as identified above, from the proceeds of sale of the marital residence, and the remaining proceeds shall be divided equally between Ken and Brenda, with Brenda satisfying the Johnson Bank obligation out of her share of the proceeds of the sale of the marital residence.

II. Brenda's Separate Property Residence.

Brenda owns as her sole and separate property certain residential real estate located at 1151 West Edgemont Avenue, Phoenix, Arizona 85007. On April 18, 2007, Ken signed a Disclaimer Deed to said property. Said property is legally described as follows:

Lot 10, Block 4, of ENCANTO MANOR, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, recorded in Book 32 of Maps, Page 26.

Brenda shall pay, assume, indemnify, save and hold Ken harmless with respect to any and all obligations in connection with such property, including but not necessarily limited to, the first mortgage, subsequent mortgages and/or any liens, together with any escrow impounds or deficiency. In all events, however, this Agreement shall be a full and complete waiver and/or conveyance of all of Ken's right, title or interest in such property to Brenda including any prepaid insurance and escrow account balance or deficit.

6. Farm Land. Brenda owns certain farm land located in Howard County, Iowa which is held jointly with her siblings. Said property is legally described as follows:

Section E ½ of the SE ½ of the E T 99 N. Range 14W (Jamestown)  
of Howard Co., Iowa

Ken hereby releases, waives and/or conveys any claim which he may have to such property, if any. Ken shall execute and deliver a Quit Claim Deed, Disclaimer Deed or the like conveying, releasing and/or waiving his interest in said property to Brenda within ten (10) days of Brenda's request. Brenda shall pay, indemnify, and hold Ken harmless with respect to any and all obligations in connection with such property. In all events, however, this Agreement shall be a full and complete conveyance, release and/or waiver of all of Ken's right, title or interest, if any, in such property to Brenda.

7. Spousal Maintenance. Each party is employed, and/or employable, capable of providing for his or her support, through employment and neither party is in need of spousal maintenance. Therefore, each party waives spousal maintenance, now, and forever.

8. Child Support. Brenda shall pay child support to Ken, commencing on December 1, 2007, and payable on the first day of the month thereafter, in the monthly sum of \$1200. Child support will be paid by Brenda directly to Ken, without use of the State Clearinghouse, and although the parties have been advised that the Court recommends utilizing the State Clearinghouse, they have stipulated and agreed to have child support paid directly. Commencing on August 1, 2008, when it is anticipated that the minor child, Hannah, will begin college, Brenda will pay child support into the Education Trust, addressed below in Paragraph 11, or directly to Hannah, as Brenda deems appropriate. Brenda's obligation will continue through February of 2009, when child support will cease.

Both parties adopt the Parent's Worksheet for Child Support Amount, which is attached to the Consent Decree of Dissolution of a Non-Covenant Marriage, and each parent's proportionate share of the total child support obligation.

Pursuant to A.R.S. Section 25-503(I), the right of a party entitled to receive support or the department to receive child support payments as provided in the court order vests as each installment falls due. Each vested child support installment is enforceable as a final judgment by operation of law. The department or its agent or a party entitled to receive support may also file a request for written judgment for support arrearages.

Pursuant to A.R.S. Section 25-503(J), if the obligee, the department or their agents make efforts to collect a child support debt more than ten (10) years after the emancipation of the youngest child subject to the order, the obligor may assert as a defense, and has the burden to prove, that the obligee or the department unreasonably delayed in attempting to collect the child support debt. On a finding of unreasonable delay a tribunal, as defined in Section 25-1202, may determine that some or all of the child support debt is no longer collectible after the date of the finding.

Pursuant to A.R.S. Section 25-503(K), notwithstanding any other law, any judgment for support and for associated costs and attorney fees is exempt from renewal and is enforceable until paid in full.

9. Health and Dental Insurance and Extraordinary Expenses. Until such time as a Consent Decree of Dissolution of Marriage is entered by a Court of competent jurisdiction, each of the parties shall maintain in full force and affect all current health insurance policies for the benefit of the other. Neither party shall take any actions of any kind which would serve to destroy or in any way diminish the COBRA rights of the other. Each of the parties shall make available to the other continued coverage for health insurance currently provided through employment as may be available under COBRA. The cost of the continued COBRA coverage shall be borne by the party choosing to exercise such COBRA rights.

Brenda shall provide medical insurance for Hannah, which is currently purchased through the youth program with Blue Cross/Blue Shield. Said coverage shall continue until further Court Order or the child support obligation ceases, whichever is earlier.

Ken currently provides dental and vision insurance for Hannah, and shall continue to provide it as long as he is employed by his current employer or a successor employer which offers comparable insurance coverage at similar rates. In the event Ken becomes unemployed and has no similar dependent insurance coverage available, or obtains employment which does not offer similar insurance coverage, Brenda shall enroll Hannah under her then existing dental and vision insurance plan, provided such coverage is available to her. In that event, the cost of such coverage shall be factored into Brenda's child support obligation in a manner consistent with the Arizona child support formula. In the event Brenda's available dental and vision insurance coverage either provides lesser benefits for Hannah or costs substantially more than coverage under the dental and vision insurance plan available to Ken, Ken and Brenda shall consult and make a determination as to the preferred coverage and payment therefor and any

changes consistent therewith shall be factored into a new child support figure, consistent with the Arizona child support formula. The obligation for dental and vision insurance pursuant to this paragraph shall continue until further Court Order or until the child support obligation ceases, whichever is earlier.

So long as Ken has a "Cafeteria" plan through his employment, and so long as Ken elects to participate in said Cafeteria Plan, Ken shall designate the sum of \$2,500.00 per year for Hannah's non-covered medical, dental, optical and other health related expenses. As the Cafeteria Plan is utilized by Ken to pay for Hannah's non-covered medical, dental, optical and other health related expenses, Brenda shall reimburse Ken a sum equal to 60% of 70% of the actual out of pocket costs paid by the Cafeteria Plan for Hannah's expenses. However, to the extent that Hannah does not have unreimbursed medical expenses that amount to \$2,500, Ken may utilize any such non-utilized amounts to cover his own non-covered medical expenses. Ken shall provide documentation to Brenda of his utilization of the Cafeteria Plan for Hannah on a quarterly basis, commencing on March 31, 2008 and Brenda shall reimburse Ken as described above within ten (10) days of receipt of said documentation. Hannah's non-covered medical, dental, optical and other health related expenses in excess of \$2,500.00 per year shall be paid forty percent (40%) by Ken and sixty percent (60%) by Brenda (with the exception of normal household drugs such as aspirin and cold remedies which each parent shall maintain in his or her own home at his or her own expense for the benefit of Hannah).

The parties will increase Hannah's clothing budget to \$1,000 per year and each parent will pay 50% of the agreed upon clothing budget: \$500 paid by Brenda and \$500 paid by Ken. Other agreed upon extraordinary expenses for Hannah, including, but not necessarily limited to, college application costs, sports related activities, and camp expenses, shall be paid forty percent (40%) by Ken and sixty percent (60%) by Brenda. The financial obligations pursuant to this paragraph shall continue until further Court Order or the child support obligation ceases, whichever is earlier.

So long as she remains a dependant of either, in the event that Hannah acquires a vehicle from her grandmother or is given use of same, the parties agree to to acquire liability insurance, with coverage of 100/300, along with uninsured motorist coverage and underinsured motorist coverage, both with 100/300 policy limits. Brenda will contribute sixty percent (60%) of the cost of acquiring the aforementioned coverages; Ken will contribute forty percent (40%) of the cost of acquiring the aforementioned coverages.

10. Dependency Exemption. Ken and Brenda shall alternate the dependency exemption for Hannah. Ken shall claim the dependency exemption in odd years commencing with 2007 and thereafter and Brenda shall claim the dependency exemption in even years commencing with 2008 and thereafter. However, if it is determined that a party who is otherwise entitled to the dependency exemption will not derive a tax benefit from claiming the dependency exemption, the exemption shall be allocated to the other party.

Each parent may, from time to time, be called upon to reimburse the other parent for medical expenses not paid by insurance incurred on behalf of Hannah. Therefore, each parent shall deduct on their respective tax returns only that portion of Hannah's medical

expenses for which he/she is responsible. The fact that one parent may reimburse another, rather than making payment directly to a health care provider, shall not be construed as to limit that parent's right to deduct his/her share of Hannah's un-covered medical expenses.

11. Hannah's College Expenses. Ken and Brenda agree to establish a trust for the sole purpose of assisting in the payment of Hannah's college expenses ("Education Trust"). Ken and Brenda agree to assign the following whole life insurance policies to Education Trust: Northwestern Mutual Life Insurance Company, policy numbers ending in 1625, Ken's policy, and 8766, Brenda's policy ("Policies") Policies will be kept in full force and effect until i) the trustees determine the cash value of the policies should be applied for Hannah's college expenses, ii) Hannah has graduated from college or iii) reached 22 years of age, whichever first occurs. Each party will pay the requisite premiums on his/her own policy. Ken and Brenda agree that the cash values of Policies are to be made available for Hannah's college expenses by re-titling Policies in the name of the Trust. Furthermore, either the Education Trust, or some other Trust established for the sole benefit of Hannah, shall be designated as beneficiary of Policies. Ken and Brenda also agree that Northern Trust, N.A., Account No. 111172XXXX, which had a balance of \$42,062.39 as of January 23, 2007, will become an asset of the Education Trust. If any funds in this account remain after payment of Hannah's college expenses, the funds shall be distributed one-half (1/2) to Ken and one-half (1/2) to Brenda, if each is then living, otherwise to Hannah. Brenda and Ken shall be the initial Trustees of the Trust, and the remaining terms and provisions of the Trust shall be incorporated herein by this reference,

12. Life Insurance. Each party will maintain one or more life insurance policies, in addition to the whole life policies assigned to the Education Trust, having a total death benefit of at least One Hundred Thousand Dollars (\$100,000), naming either the Education Trust, Hannah individually or another Trust of which Hannah is the sole beneficiary as beneficiary of such policies until such time as Hannah has graduated from college, or reached 23 years of age, whichever first occurs. Hannah shall be a third party beneficiary entitled to pursue legal enforcement of the benefits intended for her under this paragraph.

13. Income Taxes.

a. Current Year. For tax year 2007, the parties shall file separate federal and state tax returns. For income tax purposes, the termination of the marital community was effective January 1, 2007, and no theory of community pro-ration shall be applied to the parties' respective incomes, withholdings, estimated tax payments, deductions and expenses (except as specifically set forth herein) for tax year 2007. All withholding or estimated taxes paid in year tax 2007 shall be the sole and separate property of the party who paid it. Each party shall be solely liable for his/her respective tax liabilities, including principal, interest and penalties arising in connection with their own returns and each shall receive as their sole and separate property all refunds received thereon. Brenda shall claim 2/3 of the mortgage interest deduction associated with Marital Residence and 1/2 of property tax deduction associated with Marital Residence for tax year 2007. Ken shall claim 1/3 of the mortgage interest deduction associated with Marital Residence and 1/2 of property tax deduction associated with Marital Residence for tax year 2007. Ken and Brenda shall each be responsible for any tax liabilities (and assume any tax basis and holding period) arising out of property distributed to him or her pursuant to the terms of this

Agreement. If Marital Residence is sold pursuant to this Agreement, and the parties have remained joint owners of Marital Residence until its sale, each party will assume and pay 50% of capital gains tax associated with such sale, if any. All income taxes shall be calculated in accordance with Generally Accepted Accounting Principles and Internal Revenue and Arizona Department of Revenue Regulations, except as set forth herein.

b. Prior Joint Returns. The parties filed joint federal and state tax returns during their marriage. Each party will be responsible for one-half of any taxes (state and federal), penalties and interest, if any, owed for the years during the marriage that the parties filed joint returns, except that either party may defend a proposed deficiency of tax with respect to any joint return upon notice to the other party. The parties shall equally share any loss carry forwards or other tax benefits, if any, from all jointly filed returns.

c. Cooperation. Each party shall cooperate fully with the other in furnishing information necessary to prepare any tax return, defend any alleged deficiency or pursue any claim or refund.

14. Temple Dues. The parties made a pledge in September 2006. The pledge is paid in quarterly installments. Ken shall pay, assume, indemnify, save and hold Brenda harmless from this pledge.

15. Vehicles. Brenda previously leased a 2003 Audi vehicle and has now purchased said vehicle. Brenda shall pay, assume, indemnify, save and hold Ken harmless from said lease obligation and payments and any automobile insurance pertaining to the 2003 Audi vehicle. Ken leases a 2003 Nissan vehicle. Ken shall pay, assume, indemnify, save and hold Brenda harmless from said lease obligation and any automobile insurance pertaining to the 2003 Nissan vehicle.

16. Johnson Bank Loan. To acquire Brenda's Separate Property Residence, Brenda acquired a loan from Johnson Bank, account number ending 0563, which had an approximate outstanding balance of \$121,924 as of November 20, 2007. The Johnson Bank Loan is secured by the Marital Residence. Brenda agrees to pay the balance due on the Johnson Bank loan directly from her share of the proceeds of the sale of the Marital Residence.

17. Financial Institution and/or Brokerage Accounts. The parties own certain financial institution and/or brokerage accounts. These accounts have been or will be divided, with each party receiving one-half (1/2) of the balance as their sole and separate property within fourteen (14) days of the entry of the Consent Decree. These accounts are as follows:

(i) Northern Funds, account number ending 5748, which account had a balance of approximately \$18,885 as of October 1, 2007;

(ii) Century Funds, account number ending 4838, which account had a balance of approximately \$10,397.32 as of October 1, 2007;

(iii) Franklin Templeton Investments, account number ending 4945, which account had a balance of approximately \$3,769.88 as of October 1, 2007;

(iv) Citigroup Smith Barney, account number ending 31-11, which account had a balance of approximately \$39,553.08 as of October 1, 2007;

(v) John Hancock Venture Annuity, account number ending 1437, which account had a balance of approximately \$6,678.51 as of October 1, 2007;

(vi) Washington Mutual, account number ending 8578, which account had a balance of approximately \$25.00, as of February 10, 2007;

(vii) Washington Mutual, account number ending 1503, which account had a balance of approximately \$3,070, as of October 1, 2007; and

(viii) Washington Mutual account number ending XXXX, which account had a balance of approximately \$1,960 as of October 1, 2007.

(ix) The Washington Mutual account cited in subparagraph (viii) above will be utilized to pay for Hannah's camp and college visits.

18. Ken's Financial Institution and/or Brokerage Accounts. Ken has certain financial institution and/or brokerage accounts in his name alone as follows:

(i) Franklin Templeton Investments, account number ending 9958, which account had a balance of approximately \$8,513.00 as of June 30, 2006; and

(ii) Citigroup Smith Barney, account number ending 32-10, which account had a balance of approximately \$1,609.19 as of October 1, 2007.

(iii) Citigroup Smith Barney, account number ending 40-12 (Ken's premarital IRA), which account had a balance of approximately \$5,441.73 as of October 1, 2007.

(iv) Communicating Arts Credit Union, account number ending 408, with a balance of approximately \$103.48 as of August 31, 2007.

(iv) State of Israel Bond No. Q 742832 with a matured value of \$450.

These accounts and bonds are entirely Ken's sole and separate assets and Brenda waives any and all community property interest therein.

19. Retirement & Deferred Compensation Benefits and IRAs. Each of the parties has been employed during periods of the marriage. Most recently, Brenda has been employed during the parties' marriage with Gammage & Burnham, PLC and has earned retirement benefits with an account number ending 31-19. Brenda's Gammage & Burnham, PLC retirement benefits had a balance of approximately \$14,525 as of December 31, 2006. Most

recently, Ken has been employed during the parties' marriage with the State of Arizona and has earned retirement benefits with an account number ending 3620. Ken's State of Arizona Retirement had a value of approximately \$19,200.00 as of December 31, 2006. The parties shall each receive the respective retirement benefits earned through their current employment.

The parties also own IRA accounts, which shall be divided as set forth hereinafter. Except as set forth below, Brenda shall receive as her sole and separate property, all right, title, and interest in her CGM IRA with Citigroup Smith Barney, account number ending B809, which account had a balance of approximately \$232,325 as of December 31, 2006. Ken shall receive as his sole and separate property, all right, title, and interest in his CGM SEP IRA with Citigroup Smith Barney, account number ending 84-19, which account had a balance of approximately \$169,517 as of December 31, 2006.

To adjust for the disparity in the values of the retirement benefits each party is receiving and the disparity in the values of the IRAs each party is receiving, Ken shall receive from Brenda's CGM IRA account number ending in B809, the amount of \$ 29,089 within fourteen (14) business days of entry of the Consent Decree. Ken shall be responsible for providing any legal documents required by Citigroup Smith Barney (other than a consent or letter of instruction from Brenda) to release funds or make distributions from Brenda's IRA.

Ken and Brenda are not aware of any other retirement, stock purchase, pension or deferred compensation plans in which they have a community property interest. Husband and Wife agree he or she will sign necessary change of beneficiary forms as needed for all retirement and deferred compensation benefits and IRAs.

20. Inheritance. Brenda inherited assets now on deposit in an account at CitiGroup Smith Barney, account number ending 31572-18, which had an approximate value of \$18,990.00 as of February 7, 2007. This account is confirmed to Brenda as her sole and separate property.

21. Ken's Release of Brenda. Subject to the provisions of this Agreement, Ken hereby releases any and all interest, estate or other right which he may now have or hereafter have or claim in any or all property, real, personal or mixed, now owned or hereafter acquired by or on behalf of Brenda. Ken agrees that Brenda may convey or otherwise dispose of, or deal with, the same as fully as though she had never been married. Ken releases any and all claims presently known to him against Brenda (including tort claims), except as set forth in this Agreement.

22. Brenda's Release of Ken. Subject to the provisions of this Agreement, Brenda hereby releases any and all interest, estate or other right which she may now have or hereafter have or claim in any or all property, real, personal or mixed, now owned or hereafter acquired by or on behalf of Ken. Brenda agrees that Ken may convey or otherwise dispose of, or deal with, the same as fully as though he had never been married. Brenda releases any and all claims presently known to her against Ken (including tort claims), except as set forth in this Agreement.

23. Professional Fees. If either party breaches any provision of this Agreement, the other party shall have the right to recover money damages, obtain specific performance, or seek any other remedy for such breach which may be available in law or in equity.

In the event that either party defaults with respect to any obligation set forth in this Agreement, the defaulting party shall pay the attorneys' fees and related expenses and costs incurred by the injured party in the enforcement of this Agreement, irrespective of whether such enforcement is ultimately attained by judgment or by settlement.

If either party makes any payment(s) with respect to any debt or obligation of the other party due to the default of such other party, the party who makes such payment(s) shall have, in addition to any other rights or remedies which he or she may have at law or in equity or pursuant to the terms of this Agreement, the right to either deduct the amount of such payment(s) from any other payment(s) which are to be made to the defaulting party under the terms and provisions of this Agreement, or alternatively, to demand and obtain from the defaulting party immediate reimbursement for the same, plus interest at the highest lawful rate.

Each party's duty to indemnify the other as set forth in this Agreement shall include, but not be limited to, the payment of any damage, including defense of any claim, and payment of all reasonable costs and expenses incurred, whether incurred either before or after a Court action has been commenced, including but not limited to reasonable attorneys' fees, reasonable negotiation, litigation and defense expenses and reasonable settlement payments.

The terms and conditions of this Agreement shall be enforceable by all remedies available for enforcement of a judgment, including contempt, all as provided in A.R.S. Section 25-317(E).

In the event of a breach of this Agreement and attorneys' fees are paid by the non-breaching party to secure performance, the non-breaching party shall be entitled to receive reasonable attorneys' fees and costs incurred in connection therewith irrespective of A.R.S. Section 25-324 and the holdings of Edsall v. Superior Court and Gubser v. Gubser. Each party shall pay his or her own attorneys' fees and costs in connection with the dissolution of marriage and entry of the Decree of Dissolution of Marriage.

24. Tax Advice. Ken understands and agrees that his attorney, Charles I. Friedman of Attorney at Law and Brenda understands and agrees that her attorney, Aris J. Gallios of Aris J. Gallios & Associates, P.C. have not provided tax advice to either party as to the terms of or the tax ramifications of this Agreement. Each party understands and agrees that their mediator, Judith M. Wolf of Arizona Mediation Institute has not provided tax advice to either party as to the terms of or the tax ramifications of the Agreement. Each has been advised to seek his/her own independent tax advice in connection with this Agreement.

25. Bankruptcy. Each of the parties has consented to the terms of this Agreement in reliance upon the express representations made to him or her by the other party that all of the terms and provisions of this Agreement, particularly including those with respect to

payment of debts, property division and equalization, or any other transfers or payments to implement a fair and equitable apportionment and/or distribution of the parties' joint, common and/or community property and obligations, shall be fully implemented paid and completed in accordance with such terms and provisions.

The parties intend and agree that the obligations for child support, payment of debts, property division and equalization or any other transfers or payments to implement a fair and equitable apportionment and/or distribution of the parties' joint, common and/or community property and obligations, which are to be made pursuant to the terms and provisions of this Agreement, shall not be discharged, canceled, terminated, diminished or in any way affected by filing of any petition in bankruptcy, nor by the making of any assignment for the benefit of creditors.

Accordingly, in the event that either party files a petition for bankruptcy or makes any assignment for the benefit of creditors, all transfers or payments provided for this in Agreement are intended to be in the nature of support, and any party filing such petition hereby agrees to reaffirm the same with the respective creditor or creditors (including the non-filing spouse).

To the extent that any obligation arising under this Agreement may be discharged, canceled, terminated, diminished or in any way affected by the filing of a petition for bankruptcy or by the making of an assignment for the benefit of creditors, the party adversely affected by such action shall be entitled to apply to any Court of competent jurisdiction for modification of this Agreement and any Order or Decree into which it may hereafter be incorporated. The party who files such petition in bankruptcy or who makes such an assignment for the benefit of creditors hereby consents that in any proceeding brought by the other party pursuant to this provision, the Court hearing and considering the same may grant economic relief of any kind or nature whatsoever to relieve the other party of the adverse impact of the bankruptcy or assignment, irrespective of the otherwise applicable standard for such relief, including, but not limited to, the granting of spousal maintenance to a party who would otherwise not qualify for such relief under the criteria set forth in A.R.S. Section 25-319, or such other criteria as may prevail in the particular jurisdiction where the non-filing and aggrieved party may apply.

26. Assignment, Third Party Beneficiaries. No party shall have the right or power to assign this Agreement, or to assign any right or assign or delegate any duty hereunder. Any assignment or delegation made in violation of this clause shall be void and of no force or effect, shall vest no interest or right in the purported assignee, and shall constitute a material breach of this Agreement.

Except as specifically referenced in Paragraph 12, no person or entity shall be a third-party beneficiary to this Agreement. Indemnified parties referred to in the indemnification provisions of this Agreement shall be third-party beneficiaries of such indemnification provisions.

27. Time Requirements. Time is of the essence in the performance of each and every obligation imposed herein. The parties understand and acknowledge that each intends

to insist upon strict performance of each and every term, provision and payment date in this Agreement. Performance hereunder shall be made on the date indicated. If the last day of any time period in this Agreement or the date on which any obligation to be performed under this Agreement or the date on which any obligation to be performed under this Agreement or the deadline set by either party in any notice given to the other hereunder shall fall on a Saturday, Sunday or legal holiday, then the duration of such time period or the date of performance, as applicable, shall be extended so that it shall end on the next succeeding day which is not a Saturday, Sunday or legal holiday. In the event that the parties reside in different jurisdictions having a different definition or delineation of legal holiday, the definition or delineation prevailing shall be that in effect in the jurisdiction wherein resides the party upon whom the obligation of performance is due or directed to whom such notice is made.

28. Partial Invalidity. If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future law, and if the rights or obligations of either party under this Agreement will not be materially affected thereby: (1) such provision will be fully severable; (2) this Agreement will be construed as if such illegal, invalid or unenforceable provision had never compromised a part of this Agreement; (3) all other provisions of this Agreement will remain in full force and effect and will not be affected by such illegal, invalid or unenforceable provision or by its severance from this Agreement; and (4) in lieu of such illegal, invalid or unenforceable provision, there will be added automatically as part of this Agreement a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and this Agreement shall be deemed reformed accordingly.

29. Situs of Agreement. This Agreement shall be deemed to be made under, shall be construed in accordance with, and shall be governed by the internal, substantive laws of the State of Arizona, without reference to conflict of law principles. Any action brought to interpret, enforce or construe any provision of this Agreement shall be commenced and maintained in the Superior Court of the State of Arizona, in and for the County of Maricopa. The parties irrevocably consent to jurisdiction and venue in such Court and agree not to see transfer or removal of any action commenced in such Court in accordance with the terms of this provision.

30. Full Disclosure and Warranties. Each party makes the following warranties to the other. 1) I have disclosed all property interests to the other party and/or to counsel (both community and separate), except for items of nominal value, household goods, furnishings, clothing and similar items, including any separate, community, joint, trust, or business property of any kind, and including all expectancies or beneficial interests; 2) I have disclosed all income and employment benefits both accrued and earned during the marriage or anticipated in the immediate future; 3) I have no knowledge of any community funds, bonds, or securities of any kind other than as set forth herein, including those at any bank, credit union, savings and loan, brokerage company, insurance company or other financial institution; 4) I know of no property (owned in any manner by either party) other than the property mentioned in this Agreement, nor is there any property in any other person or entity's name, or trust, or in which either party has a beneficial interest or claim; 5) I have made a full disclosure to the other party of all debts, obligations, claims, judgments and/or liens which have been incurred or accrued whether separately, as community debts or obligations, jointly or in any other nature, as

well as all liens or encumbrances that exist against any property covered by this Agreement; 6) The property assigned and transferred herein is not subject to any debts, obligations, liens or encumbrances except as set forth herein or as previously expressly disclosed; 7) Both parties are relying upon this full disclosure and entering into this Agreement in reliance on these warranties; 8) All recitals, representations of fact, or warranties herein contained are true; 9) I have not hidden any property, or omitted material information or hidden important facts, from the other party, or counsel, and I have not made any gifts, transfers, fraudulent conveyances, or dispositions of property to any person or entity having an aggregate value in excess of \$500.00, (except for transfers in the ordinary course of business, for necessities of life or for full and valuable consideration to the community); 10) All financial statements, tax returns and other documentation provided by me to you, counsel, or any expert or accountants as filed and there have been no alterations of such documents; 11) Except for property set forth in this Agreement, I have no presently known interest (whether actual or accrued) in any type of deferred compensation or retirement plan (e.g. Pension, Defined Benefit Plan, 401K, 403B, Investment Incentive Plan, Stock Purchase Plan, ESOP, or Stock Options); 12) No business of the parties has been managed in such a way (both prior to the filing of the Petition in this action or during its pendency) as to intentionally reduce its value or income or present a false portrayal of its income, expenses or value; and 13) I agree any community property not disclosed and not divided in this Agreement shall be owned one-half (1/2) by each of us.

31. Waiver of Rights in Estate of Other Party. Each party hereto hereby (i) waives and releases any right or interest to all real or personal property which the other party may now own or may hereinafter acquire except as provided herein; (ii) agrees that on death of the other party, the estate of the other party, real and personal, shall pass to the person or persons who shall have become entitled thereto as though the surviving party predeceased the other party; (iii) agrees that he or she will permit any Will of the other party to be probated and will allow administration of the property of the other party to be taken out by the person or persons who are entitled thereto if he or she had predeceased the other party; (iv) waives any and all right to letters of administration upon the estate of the other party; (v) waives his or her right of election to take against any Will of the other party, whether such Will was executed before or after the date of this Agreement; and vi) waives any right to property passing by right of survivorship.

32. Removal of Barriers to Remarriage. Each party shall take all steps within his or her power to remove any barrier, religious or otherwise, to the other party's remarriage following entry of a Decree of Dissolution and each party specifically waives any rights that party may have to decline to do so as may be inferred from the case of Victor v. Victor, 177 Ariz. 231, 866 P.2d 899 (App. 1994).

33. Execution of Documents. The parties will, at any time, make, execute and deliver all instruments, conveyances, powers of attorney, authorizations, and all other assignments reasonably required for to give full effect to this Agreement; provided, however, that neither party shall be required to pay any money or incur a liability other than those provided for in this Agreement. Any document reasonably requested shall be executed within ten (10) days of a reasonable written request.

34. Not Agreement for Dissolution of Marriage. This Agreement is not an agreement for dissolution of marriage, but it is a Marital Settlement Agreement and shall be presented to the Court for its approval. Each of the terms and provisions hereof may be incorporated in any decree of dissolution, and each of the parties may be ordered to comply herewith. This Agreement shall not depend for its effectiveness on the Court's approval nor be affected thereby. This Agreement may be incorporated by reference in a decree of dissolution, with the concurrence of the Court, but shall not be merged therein, and may be enforced by either party by an action independent of the parties' dissolution action, should it become necessary to do so.

35. Binding Upon Heirs. Except as otherwise provided in this Agreement, each and every covenant and agreement herein shall inure to, and bind, the personal representatives, heirs, legatees, devisees, administrators and executors to the parties hereto. No provision of this Agreement shall ever be construed to be made for the benefit of any person other than the two parties who have executed this Agreement, the parties' minor children, and their respective personal representatives, heirs, legatees, devisees, administrators and executors.

36. Division of Property and Debt. The parties agree that the division of property and debt as set forth herein constitutes an equitable exchange and division thereof between the parties, under all the circumstances of this dissolution and marriage of the parties. Each of the parties understands that any values attributed to properties and debts herein are, to a certain extent, approximate and each assumes the risks attendant thereto.

37. Hold Harmless and Mutual Agreements. The parties agree that each shall indemnify, and hold the other harmless from all damages, costs, expenses, liabilities and/or obligations of every kind which may hereafter arise by reason of the failure of a party to fully perform under this Agreement, including but not limited to all reasonable attorneys fees and costs incurred to obtain compliance from the non-performing party, and/or to defend against any third party claims related to the performance of this agreement, as well as payment of the actual debt or obligation itself, or reimbursement of any settlement payments actually made to any third party.

38. Waiver. The failure of either party to insist, in any one or more instances, upon a strict performance of any of the covenants or provisions of this Agreement shall not be construed as a waiver or relinquishment for the future of such covenant or provision, but the same shall continue and remain in full force and effect.

39. Agreement as Deed and Transfer. This Agreement is intended to be, and shall be, a sufficient deed, conveyance, assignment, transfer of any and all right, title, interest, or claim of every nature covered by this Agreement.

40. Reconciliation. This Agreement shall not be invalidated, terminated, canceled or otherwise affected by a reconciliation between the parties nor by a resumption of cohabitation or marital relations between them, unless such reconciliation or such resumption is confirmed by a written document which expressly invalidates, terminates, cancels or otherwise alters this Agreement and which is executed and acknowledged with the same degree of

formality as this Agreement or unless stipulated to by the parties upon a record of a Court of competent jurisdiction in a manner sufficient to comply with the provisions of Rule 69, Arizona Rules of Family Law Procedure.

41. Construction of Agreement.

A. EACH PARTY HAS FREELY, WILLINGLY, AND VOLUNTARILY ENTERED INTO THIS AGREEMENT WITH FULL KNOWLEDGE OF ITS LEGAL EFFECT, HAVING PRIOR TO THE EXECUTION OF THE AGREEMENT READ THE SAME IN ITS ENTIRETY

B. The parties understand they have the right to have formal discovery and to have the terms of the dissolution determined at a trial and to have the assistance of experts, such as appraisers or accountants, in valuing assets or community interests in separate assets. The parties understand that valuations determined with expert assistance are typically more reliable indicators of fair market value than the estimated values on which this Agreement is based. Each party is satisfied, however, with estimated values, and for reasons satisfactory to himself or herself, has waived the right to further formal disclosure and discovery pursuant to Rules 49 through 65, Arizona Rules of Family Law Procedure, to expert opinion regarding valuation, and to trial.

C. Each of the parties herewith declares, that all recitals, representations of fact, or warranties, herein contained are true.

D. That the Superior Court of the State of Arizona, County of Maricopa, shall retain jurisdiction to supervise the implementation of this Agreement and this Agreement shall be construed under Arizona law.

EXECUTED the date first above written.

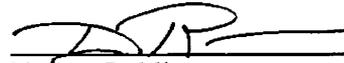
  
Brenda K. Church

  
Kenneth J. Love

VERIFICATIONS AND ACKNOWLEDGMENTS

STATE OF ARIZONA        )  
  ) ss.  
County of Maricopa        )

The foregoing instrument was acknowledged before me this 21<sup>st</sup> day of November, 2007 at Phoenix, Arizona, by Brenda K. Church, who is known to me or who presented satisfactory evidence to me that she is the person described therein, and who stated she executed the foregoing instrument for the purposes stated therein.

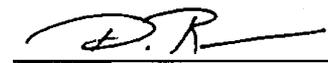
  
\_\_\_\_\_  
Notary Public

My Commission Expires:  
02/15/2011

 **DONNA ROSENDALE**  
Notary Public - Arizona  
Pinal County  
Expires 02/15/2011

STATE OF ARIZONA        )  
  ) ss.  
County of Maricopa        )

The foregoing instrument was acknowledged before me this 21<sup>st</sup> day of November, 2007, at Phoenix, Arizona, by Kenneth J. Love, who is known to me or who presented satisfactory evidence to me that he is the person described therein, and who stated he executed the foregoing instrument for the purposes stated therein.

  
\_\_\_\_\_  
Notary Public

My Commission Expires:  
02/15/2011

 **DONNA ROSENDALE**  
Notary Public - Arizona  
Pinal County  
Expires 02/15/2011