<u>Legal Update</u> December 23, 2009

Wojtowicz/Luhring/Swanson/HNOA: The agreement among the several parties which will permit the recovery of legal expenses is being finalized. The validation of reimbursement claims will then follow. It is not yet clear whether the defendants will be reimbursed in lump sum or over time.

Pappa/Van Roekel/HNOA: A Limited Judgment has signed by the court declaring the Van Roekels a Prevailing Party and thus in accordance with CCR para. 8.6 eligible for recovery of reasonable legal expenses without further process.

The Pappas however objected to the designation of HNOA as a prevailing party. Discussions are continuing. Additional legal action may be required in order for HNOA to recover expenses.