IN THE COURT OF APPEALS
STATE OF ARIZONA
DIVISION TWO

GQR ENTERPRISES, LLC, an Arizona limited liability company, Plaintiff/Counterdefendant/ Appellee/Cross-Appellant, HALL REALTY, LLC, an Arizona limited liability company; AGNES GABRIEL and JOE DOE GABRIEL, husband and wife; and GENE HALL and QUEZIA HALL, husband and wife, Third-Party Defendants/ Third-Party Counterclaimants, Appellees/Cross-Appellants, v. ARMEL LAND INVESTORS, LLC, an Arizona limited liability company, Defendant/Counterclaimant/ Third-Party Plaintiff/ Third-Party Counterdefendant/ Appellant/Cross-Appellee.	2 CA-CV 2010-0195 DEPARTMENT B MEMORANDUM DECISION Not for Publication Rule 28, Rules of Civil Appellate Procedure

APPEAL FROM THE SUPERIOR COURT OF NAVAJO COUNTY

Cause No. C20060169

Honorable John N. Lamb, Judge

AFFIRMED IN PART
REVERSED AND REMANDED IN PART

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V Á S Q U E Z, Presiding Judge.

¶1 In this contract action, Armel Land Investors, LLC (Armel) appeals from the trial court's judgment after a jury verdict in favor of GQR Enterprises, LLC (GQR) and Hall Realty, LLC. On appeal, Armel contends 1) the trial court should have resolved certain disputed contract provisions instead of submitting them to the jury for its determination, 2) the jury erred in interpreting the disputed contract provisions, 3) the verdict was not supported by any evidence of damages, and 4) the court erred in denying Armel's motion for new trial. In its cross-appeal, GQR contends the court erred in denying its request for prejudgment interest. For the reasons stated below, we affirm the court's rulings and judgment entered on the jury's verdicts in favor of GQR, but reverse the denial of GQR's request for prejudgment interest.

Factual and Procedural Background

¶2 We view the facts in the light most favorable to sustaining the jury's verdict. *See Gonzales v. City of Phoenix*, 203 Ariz. 152, ¶ 2, 52 P.3d 184, 185 (2002).

Gene and Quezia Hall and their son Shane (the Halls) are real estate developers and co-owners of Hall Realty. Around 1998, they purchased a subdivision known as Frontier Estates in Snowflake, Arizona. They then transferred ownership of the subdivision to an entity they owned, Frontier 6, LLC. By 2003, construction was almost complete in Frontier Estates, and Frontier 6 was in need of additional financing.

¶3 Gene Hall approached Jerry Armel about investing in the development as a partner. After discussing several financing options, Jerry formed Armel Land Investors, LLC (Armel), and the Halls formed GQR Enterprises, LLC. Armel purchased 139 of the lots in Frontier Estates from Frontier 6 as the means for providing capital to complete the project. Armel and GQR, along with Hall Realty, then entered into two agreements—the Reimbursement Agreement and the Marketing Agreement. Under the Marketing Agreement, Hall Realty agreed to broker the sales of Armel's 139 lots in return for a commission. The Reimbursement Agreement provided the mechanism for Armel and GQR to split the proceeds from the sales of Armel's lots after Armel had recouped its initial investment.

¶4 Specifically, the Reimbursement Agreement provided:

> If, and only if, Armel has been reimbursed the total aggregate amount of principal and interest [on the purchase price and carrying costs of the 139 lots] from the sale of [those] Lots of the Property (the "Armel Reimbursement Amount") prior to October 1, 2008, and provided Hall Realty . . . is not in default under its Marketing Agreement . . . , Armel shall pay GQR fifty percent . . . of the net proceeds actually received by Armel from the Lots of the Property sold after Armel has been paid the total Armel Reimbursement Amount.[1]

[1]We will refer to this provision as the profit-sharing provision.

"Net proceeds" was defined in the Reimbursement Agreement as

> the gross sales price of a Lot of the Property minus the real estate broker commissions and all other closing and transaction costs relating to the sale of such Lot paid by Armel, including, without limitation, recording fees, attorneys' fees, escrow agent fees, title insurance premiums, and Armel's prorations for real property taxes and assessments.

¶5 Language in the Reimbursement Agreement also provided the method for applying the proceeds from the sales of Armel's lots to the Armel Reimbursement Amount. When a lot sold for cash, the entire cash amount would be credited to the Armel Reimbursement Amount. But, when a lot sold for a cash down payment with "the balance of the purchase price payable to Armel under . . . a seller carryback promissory note," the Reimbursement Agreement provided that "the entire net proceeds of such sale and the portion of the monthly payment under the . . . promissory note attributable to principal shall be credited [to the Armel Reimbursement Amount]."[2]

¶6 The Marketing Agreement contained a provision entitled, "Non-Competition Agreement" that stated: "prior to (i) the sale of all Lots of the Property, or (ii) October 1, 2008, whichever is last to occur, [the Halls] shall not market or sell any retail subdivision lots or like kind properties within a ten . . . mile radius of the Property." The Marketing Agreement defined "Lots" as the "139 residential Lots" owned by Armel and "Property" as "the Frontier Estates Subdivision."

¶7 Pursuant to the Marketing Agreement, Hall Realty began selling Armel's lots and regularly providing Armel with written accountings of the sales and the amounts

[2]We will refer to this provision as the carryback provision.

it was crediting to the Armel Reimbursement Amount. The accountings showed that when a sale had been made for a cash down payment and promissory note, a "carryback transaction," Hall Realty had applied the entire face value of the promissory note to the Armel Reimbursement Amount, essentially treating those transactions the same as cash transactions. For a time, Armel did not object to this method of crediting the Armel Reimbursement Amount. And according to this method, the Armel Reimbursement Amount was paid in full on November 21, 2005, which meant that any net proceeds from sales after that date were to be split with GQR.

¶8 In March 2006, Armel notified GQR that Armel did not agree with Hall Realty's method of crediting carryback transactions and, accordingly, that GQR was not entitled to any profits under the Reimbursement Agreement. Armel stated further that "the most [it was] willing to do [wa]s sign over the last five unsold lots to [GQR]." GQR promptly initiated this lawsuit, seeking declaratory relief and claiming Armel had breached the Reimbursement Agreement by refusing to honor its obligation under the profit-sharing provision despite having been reimbursed the entire Armel Reimbursement Amount.

¶9 In May 2006, Armel notified Hall Realty that it had breached the Non-Competition Agreement by selling other lots in Frontier Estates in addition to those sold for Armel and that therefore Armel was not obligated to pay GQR any amounts under the Reimbursement Agreement. Armel refused Hall Realty's request for an opportunity to cure according to the terms of the Marketing Agreement, instead terminating the relationship. Armel then filed a counterclaim alleging that GQR and Hall Realty had

breached the Marketing Agreement and that Hall Realty had breached its fiduciary duty to Armel.

¶10 The jury returned a verdict in favor of GQR on its breach of contract claim, implicitly finding GQR had correctly applied the face value of the promissory notes arising from carryback transactions to the Armel Reimbursement Amount and was therefore entitled to share in the proceeds from sales made after November 21, 2005. The jury also found Hall Realty had not breached the Marketing Agreement by selling other lots in Frontier Estates. The jury initially awarded GQR "2.3 million dollars [to be] distributed in the following manner: 1 million dollars cash, and 29 lots, 23 foreclosed and 6 unsold." After a discussion with counsel, the trial court instructed the jury to revise the award because it could not require "specific performance." The jury ultimately awarded GQR one million dollars. The court entered judgment against Armel, and this appeal followed, along with GQR's cross-appeal.

ARMEL'S APPEAL

I. Carryback Provision

¶11 Armel first contends the trial court erred by refusing to interpret the carryback provision of the Reimbursement Agreement as a matter of law, instead ruling the provision's interpretation should be left to the jury. "[T]he interpretation of a contract is a question of law, which this court reviews de novo." *Grosvenor Holdings, L.C. v. Figueroa*, 222 Ariz. 588, ¶ 9, 218 P.3d 1045, 1050 (App. 2009). The purpose of contract interpretation is to effectuate the parties' intent. *Id.* In determining that intent, we look first to the plain meaning of the words in the context of the contract as a whole. *Id.* If the

intent of the parties is clear from such a reading, there is no ambiguity. *See In re Estate of Lamparella*, 210 Ariz. 246, ¶ 21, 109 P.3d 959, 963 (App. 2005). But a contract is ambiguous if "it can reasonably be construed to have more than one meaning." *Id.*

¶12 Determining the existence of an ambiguity is a question of law for the trial court, but the role of determining the parties' intent when faced with an ambiguity is left to the trier of fact. *Id.*; *see also Hartford v. Indus. Comm'n of Ariz.*, 178 Ariz. 106, 111, 870 P.2d 1202, 1207 (App. 1994) (any ambiguity "is subject to a factual determination concerning the intent of the parties and is to be resolved . . . by the trier of fact"). Furthermore, the court must avoid an interpretation of a contract provision that leads to an absurd result. *See Aztar Corp. v. U.S. Fire Ins. Co.*, 223 Ariz. 463, ¶ 48, 224 P.3d 960, 974 (App. 2010).

¶13 On appeal, as it did below, Armel contends the trial court should have ruled as a matter of law that, under the carryback provision, the cash down payment and only that portion of each subsequent monthly payment attributable to principal under the promissory note should have been applied to the Armel Reimbursement Amount. GQR counters that the carryback provision can only be interpreted to mean that the face value of the promissory note shall be applied immediately to the Armel Reimbursement Amount. To support its position, GQR relies on the Reimbursement Agreement's definition of "net proceeds" and maintains any other interpretation would render that definition meaningless.

¶14 First, Armel's contention that the provision should have been construed by the trial court as a matter of law is without merit. Its interpretation of the carryback

provision requires a substitution of the term "cash proceeds" for "net proceeds" and the court was not obligated to interpret the provision in this manner. Second, although GQR's interpretation appears reasonable given the definition of "net proceeds," the agreement also states that the amounts credited to the Armel Reimbursement Amount include net proceeds "actually received." Because the language is reasonably susceptible to more than one interpretation, it is ambiguous. *See Lamparella*, 210 Ariz. 246, ¶ 21, 109 P.3d at 963. Thus, the trial court did not err in submitting the matter to the jury to determine the parties' intent. *Id.*

¶15 And, although Armel argues in the alternative that the jury erred in adopting GQR's interpretation of the carryback provision, there was ample evidence to support this interpretation. Gene Hall testified that he had always interpreted the term "net proceeds" in the carryback provision to include the face amount of promissory notes, that he would never have sold lots for promissory notes had the parties intended to apply only the cash down payment to the Armel Reimbursement Amount, and that Armel had known from the beginning that the parties were interpreting the provision in this manner. John Gorman, GQR's expert witness, also testified that he interpreted the provision the same way. The jury apparently assigned greater weight to this evidence than that presented by Armel, something it was entitled to do. *See Anderson v. Nissei ASB Mach. Co.*, 197 Ariz. 168, ¶ 23, 3 P.3d 1088, 1095 (App. 1999).

¶16 Armel nevertheless argues GQR's interpretation is unreasonable because "plugging in the definition of 'net proceeds' from the [Reimbursement Agreement]" means that "either GQR would receive double payment on carryback notes or else [that]

part of the Second Paragraph [providing that the portion of each monthly payment attributable to principal be applied to the Armel Reimbursement Amount] is meaningless." Although Armel is generally correct that contracts should not be construed in a way that would render any provision meaningless, *see Miller v. Hehlen*, 209 Ariz. 462, ¶ 11, 104 P.3d 193, 197 (App. 2005), a jury is entitled to reject a party's interpretation of a contract's language in determining the parties' intent, *Taylor v. State Farm*, 175 Ariz. 148, 158 n.9, 854 P.2d 1134, 1144 n.9 (1993). Thus, even assuming Armel is correct that the jury's interpretation rendered the monthly payments clause superfluous, this was "a permissible result." *Id.*

¶17 This is especially true given that Armel's suggested interpretation of the carryback provision would make the definition of "net proceeds," as it applies to this provision, meaningless. "Net proceeds" is defined in the agreement as "the gross sales price of a Lot of the Property minus [various commissions and costs,]" which would encompass not only cash sales but also carryback transactions. Armel's interpretation therefore would have required the jury to ignore this definition. And because there was no evidence that GQR had in fact "receive[d] double payment on carryback notes," we need not address this argument further.[3]

[3]As best we understand it, we reject Armel's argument that GQR is estopped from arguing its interpretation of the disputed provisions because it did not challenge Armel's interpretation in pretrial motions below. GQR's position on appeal regarding its interpretation of the disputed contract language is the same position it advanced at trial, and Armel did not raise the estoppel argument below. We also reject Armel's argument that GQR's attorney's attempts to revise the wording of the carryback provision during the Reimbursement Agreement's drafting process somehow support Armel's interpretation of the provision. Although the attorney testified that he "had a concern

II. Non-Competition Agreement

¶18 Armel next contends the trial court should have construed the Marketing Agreement's non-competition agreement as a matter of law. In particular, Armel argues the court erred in failing to rule as a matter of law that the clause "within a ten . . . mile radius of the Property" included the sale of lots within Frontier Estates. And, Armel maintains that even if the jury interpreted the carryback provision correctly, Armel nevertheless owed nothing to GQR under the Reimbursement Agreement because Hall Realty violated the non-competition agreement by selling other lots in Frontier Estates. Hall Realty contends the provision merely prevented it from marketing and selling lots in competing subdivisions outside Frontier Estates.

¶19 Armel cites several cases in support of its position that the non-competition agreement included lots within Frontier Estates. But, in each of those cases, the very purpose of the provisions involved could only be effectuated by reading the expression "within a [certain] radius of" to include the interior of the particular geographic location identified in the agreement. *See Towns Truck Lines, Inc. v. Cotton State Express, Inc.*, 94 So. 2d 402, 403, 405-07 (Ala. 1957) (trucking company's operating agreement only

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about a provision in the reimbursement agreement regarding installment sales," he also testified that he would interpret the term "net proceeds" to mean the face value of the promissory note and that he would treat cash and carryback sales the same. As to the handwritten comments he had made in the margins of the draft versions of the provision, he stated that he "was trying to clarify something in that paragraph" because "it could [have been] more clear." Thus, the jury could have found the attorney's attempts to revise the provision were based on his concern that it was ambiguous, not a belief that the provision supported Armel's interpretation. Further, we decline Armel's invitation to consider GQR's trial strategy as indicative of the parties' intent when the contract was originally drafted.

practicable if measured from city center because city boundary too uneven); *Keeley v. Cardiovascular Surgical Assoc., P.C.*, 510 S.E.2d 880, 882 (Ga. App. 1999) (non-compete agreement had to include city itself to protect employer); *Tipton v. Dunn*, 276 P. 282, 282 (Or. 1929) (same). We find nothing in those cases to suggest the same interpretation must apply here.

¶20 Although Armel presented evidence that the non-competition agreement included lots within Frontier Estates, Hall Realty countered with evidence that the provision only prevented Hall Realty from marketing and selling lots in competing subdivisions until it had sold all of Armel's lots. Gene Hall testified that Armel was concerned about Hall Realty marketing properties in Hillcrest and Snowflake Country Club, not Frontier Estates; that he and Jerry Armel had discussed Hall Realty not selling lots in those competing subdivisions but that Jerry said it was fine to sell other lots within Frontier Estates; and that Armel did not object to Hall Realty selling GQR's lots in Frontier Estates until GQR filed this lawsuit.

¶21 Thus, the expression "within a ten . . . mile radius of" could reasonably be construed to have more than one meaning, and the trial court did not err in submitting the question to the jury for its determination. *See Taylor*, 175 Ariz. at 159, 854 P.2d at 1145 (where "the language of the agreement, illuminated by the surrounding circumstances, indicates that either of the interpretations offered was reasonable[,] . . . interpretation was needed[,] and because the extrinsic evidence established controversy over what occurred and what inferences to draw from the events, the matter was properly submitted to the jury."); *see also Lamparella*, 210 Ariz. 246, ¶ 21, 109 P.3d at 963. Moreover, the record

supports the jury's apparent finding that the provision did not prohibit Hall Realty from selling other lots in Frontier Estates.[4]

III. Damages

¶22 Armel next claims there was no evidence to support the jury's verdict awarding damages to GQR under the Reimbursement Agreement because GQR failed to present any evidence that Armel received cash proceeds from the sale of lots sold after the Armel Reimbursement Amount had been paid. Armel asserts that "[w]hether this Court considers the Armel Reimbursement Amount to have been repaid in November 2005[, as GQR contends,] or August 2007, [as Armel contends,] GQR failed to produce any evidence of the amount of cash received by [Armel] from the sale of the Lots after that date." Armel argues the trial court therefore erred in denying its motion for a judgment as a matter of law pursuant to Rule 50, Ariz. R. Civ. P.

¶23 But the profit-sharing provision did not use the term "cash"; rather, it required Armel to split the "net proceeds actually received by Armel from the Lots of the Property sold after Armel ha[d] been paid the total Armel Reimbursement Amount." Although Armel contends these "net proceeds" had to be paid in cash "actually received" by Armel, nothing in the provision's language requires this interpretation. And although Gene Hall testified that he had informally agreed to wait until Armel had the cash in hand before expecting payment, he also stated that this did not alter GQR's entitlement to its

[4]It is therefore unnecessary to address Armel's argument that Hall Realty's breach of the non-competition agreement was incurable, or that Hall Realty breached its fiduciary duty, because under the jury's implicit interpretation of the provision, there was no breach.

share of the proceeds as the properties sold either by cash sales or carryback transactions. Because the provision "could reasonably be construed to have more than one meaning," *Lamparella*, 210 Ariz. 246, ¶ 21, 109 P.3d at 963, it was ambiguous, and the trial court properly permitted the jury to determine whether the contract required Armel to actually receive cash payments before GQR was entitled to share in the proceeds.[5]

¶24 And, because the jury implicitly determined it was unnecessary for Armel to actually receive cash before payments to GQR were due, GQR's expert witness testimony, together with his written report of the net proceeds made after November 21, 2005, constituted ample evidence of GQR's damages.

IV. Motion for New Trial

¶25 Finally, Armel contends the trial court erred in denying its motion for new trial. We review the denial of a motion for new trial for an abuse of discretion. *Matos v. City of Phoenix*, 176 Ariz. 125, 130, 859 P.2d 748, 753 (App. 1993).[6] Armel argues on appeal, as it did in its motion for new trial, that there was no evidence to support the one

[5]To the extent Armel is arguing the words "actually received" refer to the proceeds being applied to the Armel Reimbursement Amount, we disagree that the clause is susceptible to this interpretation. The words "actually received" clearly apply to the "net proceeds" from the sales post-dating the time when the Armel Reimbursement Amount was met. And in any event, by its verdict, the jury determined that Armel did not have to receive cash before Hall Realty credited the face value of a promissory note to the Armel Reimbursement Amount.

[6]In its opening brief, Armel argues the standard of review "is, at least partially, *de novo*" because "the Court must both construe the contracts and review the evidence." While he is correct that matters of contract interpretation are reviewed de novo, *see Grosvenor Holdings, L.C. v. Figueroa*, 222 Ariz. 588, ¶ 9, 218 P.3d 1045, 1050 (App. 2009), we nevertheless review the trial court's decision to deny the motion for new trial for an abuse of discretion, having already concluded that the trial court's determination regarding ambiguities in the contract was not error.

million dollar verdict, that the verdict was contrary to the evidence, and that the trial court committed reversible error in failing to construe the contract or instruct the jury on Armel's desired interpretation of the disputed contract provisions. We address each of these arguments in turn below.

A. Million Dollar Verdict

¶26 Relying on *Spain v. Griffith*, 42 Ariz. 304, 307, 25 P.2d 551, 552 (1933), Armel argues that the jury's verdict bore no relationship to the evidence of GQR's damages, was therefore based on passion and prejudice, and "must necessarily be reversed and the case remanded for a new trial." Armel contends that, depending on whether the jury believed the Armel Reimbursement Amount was met by November 2005 or August 2007, "GQR[, if] entitled to damages at all, . . . was either entitled to more than $2,000,000 or . . . less than $100,000."

¶27 In *Spain*, the plaintiff sued for damages caused by a bus running into her building. 42 Ariz. at 305, 25 P.2d at 551. Her witnesses testified that the damages were around $4,000. *Id.* at 306, 25 P.2d at 551. The defendants' witnesses stated that the damages were either $175 or $350. *Id.* at 306-07, 25 P.2d at 552. The jury awarded damages of $1,708. *Id.* at 305, 25 P.2d at 551. Our supreme court remanded, stating "there [wa]s no manner in which [it could] reconcile the verdict of the jury with the testimony of the witnesses," and, therefore, the verdict was "not supported by any evidence." *Id.* at 307, 25 P.2d at 552.

¶28 Here, there was evidence to support the jury's one million dollar verdict. The original verdict was for 2.3 million dollars—some payable in cash and the remainder

in foreclosed and unsold lots—the amount of damages claimed by Gene Hall and supported by his expert during their testimony at trial. The jury, apparently concerned about how much cash was available to pay the judgment, submitted questions regarding how many of the 139 lots had ended up in foreclosure and originally returned an award reflecting this concern. It was only after the trial court instructed the jury it could award only monetary damages that it reduced the amount to one million dollars.

¶29 Armel nevertheless argues "there was no evidence from which the jury could have taken into account defaults and foreclosures" because "[i]f the jury believed GQR[], defaults and foreclosures were irrelevant . . . . There was no provision in the Reimbursement Agreement for crediting [Armel] back if any of the notes defaulted." To the extent Armel is arguing a jury cannot take such issues into consideration in reaching a verdict, it offers no support for the argument, and we need not consider it further. *See* Ariz. R. Civ. App. P. 13(a)(6) (appellant's brief shall contain argument, "with citations to the authorities, statutes and parts of the record relied on"). But even assuming, without deciding, that the jury erred in taking Armel's cash flow problems into consideration, the error inured to Armel's benefit. The jury's verdict was supported by the evidence.[7]

¶30 Armel next argues the trial court erred in denying its motion for new trial, claiming that "no reasonable jury could have concluded that the parties intended for GQR

[7]Armel also describes the verdict as a "compromise verdict." But a compromise verdict is one in which "some of the jurors have conceded liability against their judgment, and some have reduced their estimate of the damages in order to secure an agreement of liability with their fellow jurors." *State v. Watson*, 7 Ariz. App. 81, 88, 436 P.2d 175, 182 (1967). There is no evidence in the record that this occurred here.

to have been given immediate credit toward the Armel Reimbursement Amount for the face amount of carryback notes." In this context, Armel again contends the court should have construed the disputed contract provisions as a matter of law and instructed the jury according to Armel's interpretation of those provisions. But we have already concluded that the court did not err in submitting the provisions to the jury, and the evidence supported the jury's interpretation. Thus, the court did not err in denying Armel's motion for new trial on the same grounds.[8]

GQR'S CROSS-APPEAL

¶31 GQR's sole contention on appeal is that the trial court erred in denying prejudgment interest on the damages award. Whether prejudgment interest is appropriate is a question of law that we review de novo. *See Precision Heavy Haul, Inc. v. Trail King Indus., Inc.*, 224 Ariz. 159, ¶ 4, 228 P.3d 895, 896 (App. 2010).

¶32 "A party is entitled to prejudgment interest on a liquidated claim as a matter of right." *Scottsdale Ins. Co. v. Cendejas*, 220 Ariz. 281, ¶ 32, 205 P.3d 1128, 1135 (App. 2009). "A claim is liquidated if the plaintiff provides a basis for precisely calculating the amounts owed." *John C. Lincoln Hosp. & Health Corp. v. Maricopa County*, 208 Ariz. 532, ¶ 39, 96 P.3d 530, 542 (App. 2004). In other words, when "the

[8]To the extent Armel is arguing the trial court should have instructed the jury on the carryback provision to prevent the jury erring in its damages award by including net proceeds made before the Armel Reimbursement Amount was met, this argument lacks merit. Gorman, GQR's expert, testified that he had based his calculations only on net proceeds made after November 21, 2005, the date the jury apparently determined the Armel Reimbursement Amount had been met. And his report confirmed this. Thus, such an instruction was unnecessary. And, because we are upholding the trial court's judgment, we need not address Armel's arguments about its request below for attorney fees.

evidence furnishes data which, if believed, makes it possible to compute the amount with exactness, without reliance upon opinion or discretion," the claim is liquidated. *Id.*, *quoting* Charles T. McCormick, *Handbook on the Law of Damages* § 54, at 213 (1935). And, a claim is not unliquidated simply because liability is uncertain. *Id.*

¶33 Armel argues that because the amount of GQR's damages was capable of precise calculation, and because the actual one million dollar verdict was different from that amount, GQR was not entitled to prejudgment interest. But, "the fact that the amount of damages claimed differs from the amount ultimately awarded does not preclude an award of prejudgment interest" if the plaintiff "provide[s] a basis for precise calculation that would make the amount of damages readily ascertainable by reference to an agreement between the parties or through simple computation." *Paul R. Peterson Constr., Inc. v. Ariz. State Carpenters Health & Welfare Trust Fund*, 179 Ariz. 474, 485, 880 P.2d 694, 705 (App. 1994).

¶34 In this case, GQR claimed that Armel had breached its agreement to share with GQR net proceeds from the sales of lots after the Armel Reimbursement Amount had been met. The jury was able to calculate, based on the testimony and Gorman's report, the precise amount of the damages. The fact that the jury ultimately awarded only one million dollars is of no import. Thus, the amount of GQR's damages was "readily ascertainable by reference to [the] agreement between [Armel and GQR,]" and the claim was liquidated. *Id.* The trial court erred in denying GQR's request for prejudgment interest.

¶35 Finally, GQR and Hall Realty have requested an award of attorney fees on appeal pursuant to A.R.S. § 12-341.01(A) and Rule 21, Ariz. R. Civ. App. P. Because they are the prevailing parties, in the exercise of our discretion, we grant them their reasonable attorney fees on appeal in an amount to be determined upon compliance with Rule 21(c).

Disposition

¶36 For the reasons stated, we affirm the trial court's rulings and judgment in favor of GQR and Hall Realty, but reverse its ruling denying prejudgment interest on GQR's damages claim and remand the case for further proceedings consistent with this decision. We grant GQR and Hall Realty their attorney fees on appeal.

/s/ Garye L. Vásquez
GARYE L. VÁSQUEZ, Presiding Judge

CONCURRING:

/s/ Joseph W. Howard
JOSEPH W. HOWARD, Chief Judge

/s/ Peter J. Eckerstrom
PETER J. ECKERSTROM, Judge