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May 2, 2024

VIA EMAIL jim@landarizona.net

James Kunisch
LandArizona/JAK LLC
2015 Freda Lane
Cardiff by the Sea, CA 92007

Re: HT 4 Notice and Claim of Mechanics' Lien ("Mechanics' Lien")
Settlement Offer subject to Rule 408, Arizona Rules of Evidence

Dear Mr. Kunisch:

As you know from our April 29, 2024, conversation, this firm represents HT4, the entity that recorded the attached Mechanics' Lien against real property owned by LandArizona/JAK LLC (LandAZ"). During our conversation you advised me that, although you stated, in your January 30, 2024 letter to Rodney Schlesener of HT4, that you "sought legal counsel from [your] attorney at Jennings Haug Keleher McLeod" ("JHKM"), you are not, in fact, represented by that firm. Instead, you used Rocket Lawyer and communicated with Joseph Brophy, an attorney at JHKM, about the dispute between LandAZ and HT4 but never retained the firm as counsel. Accordingly, I am writing to you, instead of to Mr. Brophy, as you directed.

Your January 30, 2024, letter reflects a misunderstanding of Arizona law in several respects, only one of which is pertinent to this letter. Please note that a Conditional Waiver and Release on Final Payment must "follow substantially" the statutory form set forth in A.R.S. § 33-1008. A copy of that form is attached for your review. Under subsection (D) of that statute, a "waiver and release given by any claimant is unenforceable" if it does not substantially follow the attached form. The form that you presented to HT4 for signature does not come close to following Arizona's statutory form.



WHEELER LAW GROUP, PLLC
1490 S. Price Road, Suite 203
Chandler, AZ 85286-6800

Beyond that, LandAZ and HT4 had three (3) different contracts; one was for waterline work, a second for road earthwork and the third for earthwork for site pads. At your request, additional work was performed, all of which was described in an October 14, 2023, letter to you and summarized as follows:

HT4 recorded a lien for precisely this amount.

RE-CAP

Money back on water line bill -

\$1,497.20 for pads

\$2,457.50 for road

\$375.00 for Tom Smith's hrs.

Total \$4,329.70

Extra cost for hauling water

Truck time \$864.00

Extra rental time \$7,067.00

Labor costs \$4,000.00

Total \$11,931.00

Hose at well site \$175.00

Level around pump house \$100.00

Haul Road \$800.00

Total \$1,075.00

Electric Trench \$100 X 6 hrs = \$600.00

Extra cost for motels \$1,356.00

Total due \$19,291.70

GROSS RECEIPTS TAX \$954.00

GRAND TOTAL NOW DUE \$20,245.70

LandAZ paid only \$25,101.34; the amount recited in the form of lien waiver that you presented to HT4. In an apparent belief that the form of lien waiver that you presented to HT4, once signed, would act to provide LandAZ with a discount, you refused to pay more. Nowhere on the Conditional Waiver form does it state the name of the project for which lien rights were being waived or the nature of the work that was the subject of the form of lien waiver. Mr. Schlesener signed the document without any forewarning that LandAZ intended to pay nothing further for the additional work performed.

When we spoke, you told me that HT4 “cost you \$5,000” and claimed a right to backcharge for that amount. There are no communications from you that would explain a basis for doing that. In short, with the additional work performed on the waterline and because the form of lien waiver fails to comply with Arizona law, HT4 is due a minimum of \$20,245.70, plus statutory interest at 18% per Arizona’s Prompt Pay Act to be calculated from the date due to the present, as well as attorneys’ fees and costs.

In addition to the Mechanic’s Lien Foreclosure claim, HT4 has a claim for unjust enrichment. There is little doubt that LandAZ has been unjustly enriched by the work that HT4 performed. Your material quantities were wrong. Material was hauled from your friend’s house and water had to be hauled from Quartzsite because you failed to provide it. Both you and your wife agreed to pay for that extra work. In addition, HT4 sat on its hands for 11 days waiting for you to get your pump ready. As a result, HT4 is entitled to restitution from LandAZ in an amount equal to the reasonable value of the work and materials provided. We are prepared to offer the testimony of another contractor who performs similar work. That contractor will testify that the amount that HT4 seeks as restitution is equal to or less than the reasonable value of the work performed.

When we spoke, you offered to resolve the matter for \$5,000.00. That offer is rejected. For purposes of settlement, only, and provided that a check for \$15,000 is received by either my office or HT4 **no later than close of business on May 9, 2024**, HT4 will accept \$15,000 as full and final payment for the amount due. I will prepare a Final Conditional Waiver and Release on Final Payment and present it to you after the check is received. Once the check clears the issuing bank, I will provide an Unconditional Waiver and Release on Final Payment, signed by Mr. Schlesener.

I look forward to hearing from you soon.

WHEELER LAW GROUP, PLLC

Sincerely,

/s/ Julianne C. Wheeler

Julianne C. Wheeler
For the Firm

JCW/
cc: Rodney Schlesener
Encl.

**PREPARED BY, RECORDING
REQUESTED BY AND RETURN TO:**

Jeff Veerhusen, As Ltd. Agent For
National Lien & Bond Services LLC
428 E Thunderbird Rd, #131
Phoenix, AZ 85022

NOTICE AND CLAIM OF MECHANIC'S AND MATERIALMAN'S LIEN

CLAIMANT

HT4
PO Box 552
Safford, AZ 85548

OWNER OR REPUTED OWNER

LandArizona/JAK LLC
2015 Freda Lane
Cardiff By The Sea, CA 92007

Nature of improvements to be charged with a Lien:

General Contracting, Construction, & Repair

Amount of claim after deducting just credits and offsets:

\$20,245.70

REAL PROPERTY ADDRESS/LOCATION

Quartzsite Land, 29884 N 53rd St, Quartzsite, AZ 85346 in the County of La Paz, APN: 302-56-003
A legal description of the property follows: THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 29,
TOWNSHIP 3 NORTH, RANGE 19 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, LAPAZ COUNTY,
ARIZONA (Section: 29 Township: 3N Range: 19W NE4 NE4 SEC 29 T-3N R-19W EX N 33' RD R/W).

1. I am the Claimant or have knowledge of the facts of this claim and make this affidavit in compliance with ARS 33-993.
2. Claimant has furnished labor, materials, machinery, fixtures or tools in the construction, alteration or repair of the buildings, other structures or above described improvements on Subject Real Property. This was done at the Request of Owner or Reputed Owner, or at the request of a person whom Claimant reasonably believed to be the lawful agent of Owner or Reputed Owner.
3. The Owner or Reputed Owner by whom Claimant was employed or to whom Claimant furnished materials was LandArizona/JAK LLC, 2015 Freda Lane, Cardiff By The Sea, CA 92007.
4. The labor, materials, machinery, fixtures or tools were furnished pursuant to a written contract, a copy of which is attached.
4. The building, structure or improvement or the alteration or repair of such building, structure or improvement was completed on October 3, 2023.
5. The Preliminary Twenty Day Notice required by ARS 33-992.01 was served on July 25, 2023.
6. If the lien against the dwelling of a person who became an owner-occupant prior to the construction, alteration, repair or improvement, the claimant has executed written contract directly with the owner-occupant. ARS 33-1002.

WHEREFORE Claimant demands a lien on the Subject Real Property and all improvements thereon in the amount set forth above, and in order to fix this lien has made this Notice and Claim in two or more original copies, causing one to be filed in the Office of the County Recorder of this County.

Dated November 21, 2023 for HT4, PO Box 552, Safford, AZ 85548

By: Jeff Veerhusen Jeff Veerhusen, As Ltd. Agent For, HT4

ACKNOWLEDGEMENT BY NOTARY PUBLIC

State of Arizona

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County Of Maricopa

SUBSCRIBED and SWORN TO on the 21st day of November 2023 before me, Suzanne L. Hall
NOTARY PUBLIC:

Signature

Suzanne L. Hall
Notary Public in and for the State of Arizona
My Commission Expires: ~~01/01/2026~~ 07/16/2026

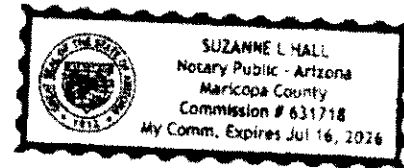


Exhibit A - Property Description

Owner: LandArizona/JAK LLC, 2015 Freda Lane, Cardiff By The Sea, CA 92007
Project: Quartzsite Land, 29884 N 53rd St, Quartzsite, AZ 85346

The following is a complete legal description, to the best of our knowledge, of the property to be liened. Information for this exhibit was obtained through the Recorder's Office where the property is located, or from other sources.

THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 29, TOWNSHIP 3 NORTH, RANGE 19 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, LAPAZ COUNTY, ARIZONA (Section: 29 Township: 3N Range: 19W NE4 NE4 SEC 29 T-3N R-19W EX N 33' RD R/W)

File No: 5366 | AZ |
Notice Requested by and Return To:
National Lien & Bond Services LLC
428 E Thunderbird Rd, #131
Phoenix, AZ 85022 | Job No: 0723

Customer: LandArizona/JAK LLC
Project: Quartzsite Land
Rec. ID: 778721
FIRST CLASS MAIL
Return Receipt Requested

TWENTY DAY PRELIMINARY NOTICE

In Accordance With Arizona Revised Statutes Section 33-992.01

THIS IS NOT A LIEN. THIS IS NOT A REFLECTION ON THE INTEGRITY OF ANY CONTRACTOR OR SUBCONTRACTOR

TO: OWNER OR REPUTED OWNER

LandArizona/JAK LLC
2015 Freda Lane
Cardiff By The Sea, CA 92007

**TO: ORIGINAL CONTRACTOR
OR REPUTED CONTRACTOR**

HT4
PO Box 552
Safford, AZ 85548

1. The following is a general description of the labor, service, equipment or materials furnished or to be furnished by the undersigned.

General Contracting, Construction, & Repair

2. Estimated Price: \$75,000.00

3. The name of the person who furnished that labor, service, equipment or materials is:

HT4
PO Box 552
Safford, AZ 85548

4. The name of the person who contracted for purchase of that labor, service, equipment or material is:

LandArizona/JAK LLC
2015 Freda Lane
Cardiff By The Sea, CA 92007

5. The description of the jobsite is:

Quartzsite Land
29884 N 53rd St
Quartzsite, AZ 85346
County of La Paz. APN: 302-56-003

6. Date Claimant first provided said labor, services, equipment or materials:
07/13/2023

TO: TENANT OR REPUTED TENANT

NOTICE TO PROPERTY OWNER

If bills are not paid in full for the labor, professional services, materials, machinery, fixtures or tools furnished, or to be furnished, a Mechanic's Lien leading to the loss, through court foreclosure proceedings, of all or part of your property being improved may be placed against the property. You may wish to protect yourself against this consequence by either:

1. Requiring your contractor to furnish a conditional waiver and release pursuant to Arizona Revised Statutes Section 33-1008, Subsection D, Paragraphs 1 and 3 signed by the person or firm giving you this notice before you make payment to your contractor.
2. Requiring your contractor to furnish a unconditional waiver and release pursuant to Arizona Revised Statutes Section 33-1008, Subsection D, Paragraphs 2 and 4 signed by the person or firm giving you this notice before you make payment to your contractor.
3. Using any other method or device that is appropriate under the circumstances.

Within ten days of the receipt of this preliminary twenty day notice the owner or other interested party is required to furnish all information necessary to correct any inaccuracies in the notice pursuant to Arizona Revised Statutes Section 33-992.01, Subsection 1 or lose as a defense or lose as a defense any inaccuracy of that information.

Within ten days of the receipt of this preliminary twenty day notice if any Payment Bond has been recorded in compliance with Arizona Revised Statutes Section 33-1003. The owner must provide a copy of the Payment Bond including the name and address of the surety company and bonding agent providing the Payment Bond to the person who has given the preliminary twenty day notice. In the event that the owner or other interested party fails to provide the bond information within that ten day period, the claimant shall retain lien rights to the extent precluded or prejudiced from asserting a claim against the bond as a result of not timely receiving the bond information.

[Signature]
Jeff Veerhusen, As Ltd. Agent For, HT4, July 25, 2023

DETACH HERE AND SEND LOWER PORTION TO CLAIMANT
ACKNOWLEDGMENT OF RECEIPT OF TWENTY DAY PRELIMINARY NOTICE

This acknowledges receipt on (today's date) _____ of a copy of the Twenty

Day Preliminary Notice at (address where notice received) _____

Date (date this acknowledgment is executed) _____

Signature of person acknowledging receipt, with title if acknowledgment is made for another person _____

Reference #: 778721 | File #: 5366

Prepared by: National Lien & Bond Services LLC, 428 E Thunderbird Rd, #131, Phoenix, AZ 85022. Phone: (602) 535-4628

**UNCONDITIONAL WAIVER AND RELEASE ON FINAL PAYMENT
PURSUANT TO A.R.S. § 33-1008**

Project: _____

Job No.: _____

The undersigned has been paid in full for all labor, services, equipment or material furnished to the jobsite or to _____ (person with whom undersigned contracted) on the job of _____ (owner) located at _____ (job description) and does hereby waive and release any right to mechanic's lien, any state or federal statutory bond right, any private bond right, any claim for payment and any rights under any similar ordinance, rule or statute related to claim or payment rights for persons in the undersigned's position, except for disputed claims for extra work in the amount of \$ 0_____.

The undersigned warrants that he either has already paid or will use the monies he receives from this final payment to promptly pay in full all of his laborers, subcontractors, materialmen and suppliers for all work, materials, equipment or services provided for or to the above-referenced project.

Dated:_____

>NAME OF COMPANY

By_____

>Name

>Title

NOTICE: This document waives rights unconditionally and states that you have been paid for giving up those rights. This document is enforceable against you if you sign it, even if you have not been paid. If you have not been paid, use a conditional release form.