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MIRYAN TINNELL
SUPERIOR COURT CLERK

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10 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**
11 **IN AND FOR THE COUNTY OF MOHAVE**

12 NANCY KNIGHT,) NO.: CV-2018-04003
13 Plaintiff,) **JOINT REPORT**
14 vs.)
15 GLEN LUDWIG and PEARL LUDWIG, Trustees)
of THE LUDWIG FAMILY TRUST; FAIRWAY)
16 CONSTRUCTORS, INC.; MEHDI AZARMI;)
JAMES B. ROBERTS and DONNA M.)
17 ROBERTS, husband and wife; JOHN DOES 1-10;)
JANE DOES 1-10; ABC CORPORATIONS 1-10;)
18 and XYZ PARTNERSHIPS 1-10.)
19 Defendants.)

20
21 The parties signing below certify that they have conferred about the matters set forth
22 in Rule 16(d), and that this case is not subject to the mandatory arbitration provisions of Rule
23 72. With regard to matters upon which the parties could not agree, they have set forth their
24 positions separately in item 14 below. The parties are submitting a Proposed Scheduling
25 Order with this Joint Report. Each date in the Joint Report and in the Proposed Scheduling
26 Order includes a calendar month, day, and year.

27 **1. Brief Description of the Case:** (If a claimant is seeking other than monetary
28 damages, specify the relief sought.)



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1 **A. Plaintiffs' description of the case:** In addition to monetary damages
2 Plaintiff's non-monetary relief sought includes (1) disclosure from the Defendants to all
3 property owners in Desert Lakes of this matter and the BOS Resolution denial; (2) for
4 Defendants to cease and desist surveillance of her property, abuse of and alleged political
5 prevention of discovery, harassment, and deceptive disclosure statements that are
6 unsubstantiated; (3) removal of all Fairway Constructor's "Build to Suit" business
7 advertising signage on unimproved lots; (4) remedy for Defendants' CC&R violations.

8 On June 16, 2016, the Plaintiff received a Mohave County packet offering a building
9 setback of 15 feet by resolution of the Board of Supervisors (hereinafter "BOS"). The
10 proponent was Defendant Mehdi Azarmi. The proponent's threatened and attempted setback
11 reductions were in violation of the Desert Lakes Golf Course and Estates Tract 4076 CC&Rs.
12 (Supra Exhibit: 1989 Passantino's zoning application from the County's 25 foot setback to
13 20 feet for the entire subdivision Tract 4076 citing the CC&Rs).

14 The Plaintiff realized that she was placed at risk for her proposed RV garage and the
15 lack of full disclosure regarding the CC&Rs. The Plaintiff presented a letter to the BOS on
16 October 3, 2016. As a result, three members of the Board voted to deny the resolutions.
17 Months of research and investigation compelled the Plaintiff to file a Complaint on
18 September 25, 2017 with the Attorney General. The Special Investigative Section (SIS) of
19 the Attorney General's office and the FBI requested exhibits from the Plaintiff on January
20 3, 2018 in regards to the BOS Resolution and the conclusion of the SIS, on January 4, 2018,
21 which supports the *Plaintiff's standing for Count One* regarding the BOS Resolutions, was
22 that it was a civil matter and the Plaintiff had a right to bring forth a private action. The
23 Plaintiff's "Breach of Contract" Complaint was filed on January 22, 2018.

24 The Defendant's motion to dismiss, resultant responses, replies, and exhibits, caused
25 the Court to hear Oral Arguments with respect to a Summary Judgment on or about April 2,
26 2018. The Court ruled that *the Plaintiff has standing* to prosecute only Count 2 of her
27 Complaint and only in her Tract 4076-B as there existed no evidence supporting the
28 Plaintiff's claim of one subdivision and a master planned community.

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1 New evidence was submitted to the Court on or about October 22, 2018 providing the
2 history of zoning for the land thereby confirming Desert Lakes Golf Course and Estates Tract
3 4076 (hereinafter "Desert Lakes") is one subdivision created by Bella Enterprises in 1988
4 as a Master Planned Community defined as the E1/2 of Section 35 and a portion of the SE1/4
5 of Section 36, Township 19 North, Range 22 West, located in the South Mohave Valley area
6 comprised of roughly 305 acres subdivided into 707 single family residential lots/mobile
7 homes prohibited with a final plat showing a multiple family parcel as VV. Sewage disposal,
8 for the Master Plan, was to be handled on a five acre parcel adjoining this subdivision.
9 Multiple citations of law is pending a Court decision on an Amended Complaint with full
10 prosecution rights.

11 *Legal efficacy/validity of Tract 4076-B* has already been previously ruled by the
12 Court that the CC&Rs run with the land. The land was not "carved out" nor abandoned from
13 Desert Lakes; the CC&Rs were not abandoned nor revoked nor amended. A zoning change
14 abandoned the name of Parcel VV with resubdivision into residential lots 1-32. Paragraphs
15 18 and 21 of the CC&Rs has consistent language for all lots built in phases within the entire
16 Desert Lakes Subdivision deeming renewal of the CC&Rs for successive terms of ten years
17 and into perpetuity unless revoked or amended by those authorized in accordance with the
18 CC&Rs.

19 A preponderance of evidence has shown that the CC&Rs have been imposed upon
20 property owners and enforced in Desert Lakes over the years. The Plaintiff cites impositions
21 and enforcement in Tract 4076-B that includes: (1) the rezoning of Parcel VV in 1998 for
22 single family homes that enforced the multifamily zoning prohibited restriction; T&M
23 Development was imposed with the CC&Rs for the Plaintiff's home and assured the 15 foot
24 steel rails for her westerly side yard fence was corrected from a solid block wall fence in the
25 2005 permit; In case number CV 2016-04026, through a binding mediated settlement dated
26 on or about May 17, 2017, Plaintiff was granted CC&R fence height violation restoration of
27 her westerly side yard fence and restoration of the removed 15 feet of steel rails from her
28 westerly side yard fence plus restoration of a portion of the removed steel rails of the

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1 adjacent neighbor's rear yard fence. Plaintiff was informed on or about April 27, 2017 by an
2 owner of a home in the Defendant's "Fairway Estates" area of Tract 4076-A, Mr. Ritchie,
3 that a vehicle length restriction was imposed upon him and Mr. Ritchie claimed he had to sell
4 his home and move to a different home as a result of his needed 22 foot long vehicle.

5 Desert Lakes Subdivision Tract 4076 has never had a Homeowner Association.
6 Individual property owners do not have a fiduciary duty to enforce CC&Rs but do have
7 Constitutional rights, rights cited in the Law on Property, and rights cited in the CC&Rs that
8 is consistent for every Phase of development in the entire Desert Lakes subdivision.

9 Arizona Act 12-1134 effectively prohibits officials, such as the State legislature or the
10 Mohave County Board of Supervisors, from taking Arizonan's property without paying for
11 it, "nor can they redesign neighborhoods to serve the interests of politically powerful
12 developers at the expense of home and small-business owners" (Reference: Goldwater
13 Institute's Executive Summary of this landmark legislation.) The redesign of neighborhoods
14 to suit the interest of proponent Medhi Azarmi though the Mohave County BOS Resolutions
15 was not county-wide to include Los Lagos or other subdivisions. The BOS did not have any
16 authority to threaten to reduce setbacks in Desert Lakes that conflicted with the CC&Rs. The
17 BOS recognized the legal risk of approving the proponent's Resolutions for reduced setbacks
18 that were in violation of the CC&Rs and voted to deny (Refer to Supervisor Watson's
19 argument for denial as the public record of the meeting on October 3, 2016 – Pg 24). This
20 BOS denial was a direct result of the Plaintiff's time consuming and costly research and
21 presentation before the BOS on October 3, 2016 and justifies Plaintiff's claims for "Count
22 One" paragraphs 53 and 56, and "Allegations Common to all Counts" paragraphs 35, 36, 42,
23 43, 44, 47 and Wherefore D of her Complaint.

24 On June 11, 2018, the Court denied expansion of the scope of the proceeding for the
25 inappropriate expenditure of taxpayer dollars that was not a county-wide BOS Resolution for
26 reduced setbacks. Plaintiff concedes. Plaintiff has also conceded that she will not file a
27 Declaratory Judgment for relief of other property owners who may have a setback violation
28 due to no fault of their own.

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1 There exists a potential remedy for the Defendant's rear yard setback violations that
2 are adjacent to the golf course through a purchase agreement for a portion of unbuildable and
3 unused golf course parcels. Also, the Defendants provided photographic evidence in their
4 Initial Disclosure that the appearance of blight already exists in Desert Lakes. A joining with
5 the Plaintiff for enforcement of the CC&Rs is another potential settlement of this matter. The
6 Defendants have refused to even confer. A Good Faith Consult Certificate is attached.

7 A mediator has been requested by the Plaintiff to the Defendant's attorney and she
8 especially seeks one with CC&R experience who understands the importance of protection
9 of property values. The Defendants are concerned with cost and the Plaintiff has offered to
10 pay the full cost of the mediator of her choice.

11 ***Plaintiff seeks relief:*** (1) through judgment by the Court that Defendants violated the
12 Declaration of Covenants, Conditions and Restrictions for Desert Lakes Golf Course &
13 Estates; (2) Reasonable monetary compensation that does not exceed the jurisdictional limit
14 of the Court including but not limited to compensation for the physical and emotional distress
15 from the battle to protect her property from the attempted and threatened BOS Resolution for
16 which she was personally placed at risk for an RV garage had she taken the offer for the
17 reduced setback. (3) Double damages not to exceed five thousand dollars for unreasonable
18 expansion and delays in the proceedings, disclosure and court deception, failure to file the
19 Defendant's Initial Disclosure within 20 days of the Court's pending rulings on a
20 non-existent alleged Amended Complaint and other motions. The Court addressed all open
21 motions on August 24, 2018 thereby denying Plaintiff's motion to amend orders, denying
22 Defendant's motion to dismiss Count 2, and clarified for the Defendant's that the Court was
23 unclear as to why they treated the Plaintiff's motion to amend the order as a motion to amend
24 the complaint. The Defendants still did not provide Disclosure within 20 days of August 24.
25 (4) Punitive damages from the stress of the Court Order on or about September 26, 2018
26 threatening dismissal of the matter since the Joint Report and Scheduling Order were not yet
27 filed. (5) Pursuant to Rule 15.7 (c)(6), Sanctions against the Defendants with a financial
28 award to the Plaintiff is justified. (6) Punitive damages for stress associated with deceptive

1 claims that she was forced to research and defend against. Amount to be determined by jury
2 or the Court as the case may be.

3 Defendant's Initial Disclosure was finally emailed to the Plaintiff on October 2, 2018.
4 The Plaintiff had filed her Initial Disclosure timely on July 30, 2018.

5 **B. Defendant's Brief Description of the Case:** This matter arises as a
6 result of the Plaintiff's claims that CC&R violations have occurred/are occurring on both
7 vacant lots and previously improved lots in Desert Lakes Golf Course & Estates (hereinafter
8 referred to as "Desert Lakes"), Tract 4076B and Tract 4163. Desert Lakes consists of
9 numerous separate subdivided tracts.

10 The Plaintiff resides in Tract 4163 of Desert Lakes which is a tract of land (formerly
11 known as Parcel V-V and a portion of Parcel K-K upon which the golf course was
12 constructed) that was carved out of Tract 4076-B of Desert Lakes. Tract 4163 is also located,
13 as is Plaintiff's home, on a portion of the Desert Lakes Golf Course. The recordation of
14 Tract 4163 included an abandonment of a portion of the golf course and a complete
15 abandonment of the recorded plat development scheme for Parcel V-V which was
16 specifically designated to be used as a "multi-family" parcel. The Tract 4076-B CC&Rs as
17 to Parcel V-V were fully and completely abandoned regarding Parcels V-V and K-K.

18 The Plaintiff specifically sues Fairway Constructors and its principals the Ludwig
19 Family Trust and Mehdi Azarmi for alleged signage violations of the CC&Rs that were
20 recorded for Tract 4076-B in 1989.

21 Plaintiff further alleges in Count 2 that Fairway, Ludwig and Azarmi have violated
22 CC&Rs by placing "for sale" signs on vacant lots in Tract 4076-B. Defendants allege
23 Defendant Fairway does not own any vacant land in Tract 4076-B nor Tract 4163.
24 Defendants further allege the CC&Rs are not enforceable as they have never been followed
25 or enforced since inception and have been fully abandoned from inception by the multiple
26 different developers and all others including the approximate 225 lot and home owners.
27 Defendants anticipate filing a dispositive motion seeking judgment in favor of the
28 Defendants finding that the CC&Rs of Tract 4076-B have been fully abandoned and are

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1 unenforceable, and will seek therein an order from this Court awarding the remaining
2 Defendants their attorney fees and costs. Tract 4163 has no recorded CC&Rs beyond its
3 original inclusion in Tract 4076-B.

4 Plaintiff has initiated this action allegedly on behalf of the taxpayers of Mohave
5 County, Arizona, seeking to recover rezoning processing fees that have been incurred by the
6 County. Rezoning actions may be initiated by property owners in accord with the duly and
7 properly adopted laws and ordinances of the State of Arizona and Mohave County. A
8 dispositive motion will be filed on this issue with this Court in the immediate future seeking
9 a dismissal of Plaintiff's Complaint in this respect and further seeking a judgment against
10 Plaintiff for the fees and costs incurred by Defendants on this issue.

11 Plaintiff further requests in the remaining pleading and after dismissal of Count 1 of
12 Plaintiff's Complaint that the Court enter rulings as to the owners of the substantial majority
13 of existing homes in Tract 4076-B and Tract 4163 finding that they be adjudicated as exempt
14 from some or all, as the case may be, of the CC&Rs or at least portions of the CC&Rs where
15 these owners who are not parties to this litigation will be forgiven for any CC&R violations
16 or not held accountable. Plaintiff has failed to include these approximate 200 plus potential
17 plaintiffs or defendants as parties. Defendants anticipate filing dispositive motions seeking
18 the dismissal of these claims and a judgment against the Plaintiff for all of Defendants'
19 attorney fees and costs attributable thereto.

20 **2. Current case status:**

21 A. Every defendant has been served or dismissed. No

22 B. Every current party has filed a responsive pleading. Yes

23 C. Explanation of a "no" response to either of the above statements:

24 i) Defendants claim there are approximately 200+ additional parties
25 that need to be joined by Plaintiff.

26 ii) Plaintiff has not filed a Declaratory Judgment for relief of other
27 parties due to no fault of their own. It is unclear if the Defendants are admitting they violated
28 the CC&Rs that impacted the views of over 200 parties.

1 iii) The Plaintiff reserves the right to add US Southwest for their
2 “Development Services” business advertising on Fairway’s signage; to name Mr. and Mrs.
3 Grice for the setback violation of the home on Lipan Blvd.; and upon Disclosure by the
4 Defendants, the purchaser(s) of the Grice home considering it was listed for sale on July 3,
5 2018 and the pending sale appears to have closed escrow on or about mid-October 2018 with
6 occupancy.

7 **3. Amendments:** A party anticipates filing an amendment to a pleading that will
8 add a new party to the case. Yes

9 **4. Special case management:** Special case management procedures are
10 appropriate. No

11 **5. Settlement:**
12 A. The parties have previously engaged in settlement discussions and agree
13 to continue to engage in settlement discussions with a settlement judge assigned by the court,
14 or a private mediator. Yes

15 B. The parties will be ready for a settlement conference or a private
16 mediation by January 30, 2019.

17 C. If the parties will not engage in a settlement conference or a private
18 mediation, state the reason(s): Not applicable.

19 **6. Readiness:** This case will be ready for trial by May 15, 2020.

20 **7. Jury:** A trial by jury is demanded. Yes

21 **8. Length of trial:** The estimated length of trial is 5 days.

22 **9. Summary jury:** The parties agree to a summary jury trial. No

23 **10. Preference:** This case is NOT entitled to a preference for trial.

24 **11. Special requirements:** At a pretrial conference or at trial, the parties will NOT
25 require disability accommodations or an interpreter.

26 **12. Scheduling conference:** The parties request a Rule 16(d) scheduling
27 conference. No

28 **13. Other matters:** Other matters that the parties wish to bring to the court's

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1 attention that may affect management of this case: Not applicable.

2 **14. Items upon which the parties do not agree:** The parties were unable in good
3 faith to agree upon the following items, and the position of each party as to each item is as
4 follows:


5 **A. Plaintiff:** (1) In light of the new evidence, prosecution of all Tracts in
6 the Master Planned Desert Lakes Subdivision Tract 4076. (2) Legal efficacy/validity of all
7 Tracts in the Desert Lakes Subdivision Tract 4076. (3) Plaintiff's standing to prosecute
8 Allegations Common to all Counts including Count One and Count Two in Tract 4076-B.
9 (4) Plaintiff's need for Leave to Amend Complaint. (5) Defendant's attorney fees should be
10 denied. (6) Plaintiff's entitlement of double damages not to exceed five thousand dollars
11 against the Defendants. (7) Plaintiff's entitlement to financial awards as sanctions against
12 the Defendants for untimely Initial Disclosure. (8) Plaintiff compensation for stress from
13 unjustified claims, surveillance of her property, ongoing research to defend her full
14 prosecution rights for the entire Desert Lakes Subdivision Tract 4076, and the need to
15 respond to deceptive claims that delayed the matter, threatened, and harassed the Plaintiff.
16 (9) Paid mediator.

17 **B. Defendant:** (1) The legal efficacy/validity of the Tract 4076-B CC&Rs;
18 (2) Plaintiff's standing to initiate Plaintiff's cause of action; (3) relief Plaintiff seeks.

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20 _____
Nancy Knight, Plaintiff

Date: 11-19-2018

21 LAW OFFICES OF DANIEL J. OEHLER

22
23 
24 _____
Daniel J. Oehler,
Attorney for Defendant


Date: 11-19-18

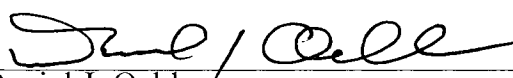
1 **GOOD FAITH CONSULTATION CERTIFICATE**

2 Regarding settlement pursuant to ARCP, Rule 7.1(h): I, Nancy Knight, the movant, certify that I
3 attempted to confer with Defendant Mehdi Azarmi by telephon at the office of Fairway Constructors on
4 October 25, 2018 at 8:30 am and was told hew as not in but had a meeting at 9 am. I told the receptionist
5 that I would call back at 8:45 and that I only needed a few minutes to speak to Mr. Azarmi. At 8:45 I was
6 only able to leave a void mail message and I referenced the settlement details for consideration that was sent
7 to Misters Ludwig and Azarmi on September 29, 2018 through their counsel. Mr. Azarmi was requested to
8 call me back and I left him my land line phone number. He failed to do so. On October 29, 2018, I sent an
9 email to Tracy, who I believe is Mr. Azarmi's administrative assistant at Fairway Constructors, asking that
10 she confirm that Mr. Azarmi did receive the void mail message. Again, not even the courtesy of a reply.
11 Plaintiff was following procedure from the Law Library Resource Center CVT 55P-070118 to contact the
12 Defendant.

13 Mr. Oehler has since explained to me that settlement efforts and all contact with the current
14 Defendants are to be directed and discussed with Mr. Oehler. Mr. Oehler and I have discussed at length the
15 Joint Report and Scheduling Order and have processed, at least in part, several versions of these documents.
16 The Plaintiff's positions on the litigation versus the Defendants' are not currently able to be resolved.

17 Dated this 19th day of November, 2018.

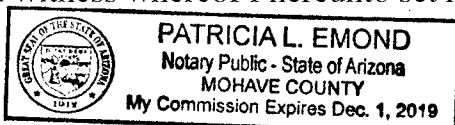
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19 _____
20 Nancy Knight, Plaintiff

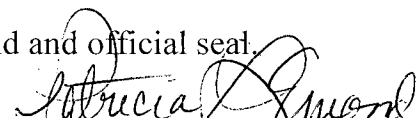
21 
22 _____
23 Daniel J. Oehler,
24 Attorney for Defendants

25 STATE OF ARIZONA)
26) ss.
27 COUNTY OF MOHAVE)

28 SUBSCRIBED AND SWORN TO before me, the undersigned officer, this 19th day
of November, 2018, by Nancy Knight known or proved to me to be the person whose name
is subscribed in the within instrument and acknowledged that she executed the same for the
purpose therein contained.

In witness whereof I hereunto set my hand and official seal.

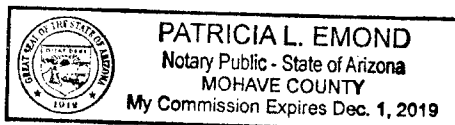


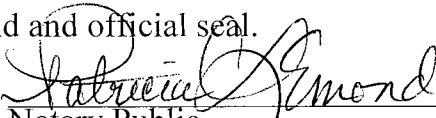
29 
30 _____
31 Notary Public,
32 My Commission Expires: 12-1-2019

33 STATE OF ARIZONA)
34) ss.
35 COUNTY OF MOHAVE)

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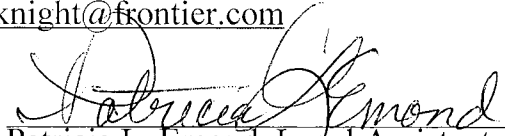


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40 _____
41 Notary Public,
42 My Commission Expires: 12-1-2019

1 **COPY** of the foregoing emailed
2 this 19th day of November, 2018, to:

3 Honorable Derek Carlisle
4 Mohave County Superior Court
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16 By: 
17 Patricia L. Emond, Legal Assistant

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