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IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA
IN AND FOR THE COUNTY OF WASHOE

Case No.

Dept. No.

QUAIL NORTH WEST PHASE II MAINTENANCE ASSOCIATION, a Nevada nonprofit corporation,

Plaintiff,

VS.

QUAIL NORTH WEST PHASE II, LLC, a Nevada limited liability company; All other persons unknown claiming any right, title estate, lien or interest in the property rights described in the complaint adverse to Plaintiffs' rights, or any cloud upon plaintiff's title thereto; and DOES 1 through 20, inclusive

Defendants.

**VERIFIED COMPLAINT** 

(Exempt from Arbitration per NRS 38.255(g))

Plaintiff QUAIL NORTH WEST PHASE II MAINTENANCE ASSOCATION, a Nevada nonprofit corporation, by and through its counsel of record Austin K. Sweet, Esq., files this Complaint against QUAIL NORTH WEST PHASE II, LLC, a Nevada limited liability company, and all other persons unknown claiming any right, title estate, lien or interest in the property rights described in the complaint adverse to Plaintiff's rights, or any cloud upon plaintiff's title thereto; and DOES 1 through 20, inclusive, and state as follows:

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#### JURISDICTION AND VENUE

- 1. This Court has jurisdiction pursuant to Article 6 § 6 of the Constitution of the State of Nevada.
- 2. Pursuant to NRS 13.010, venue in this case is proper because the Complaint concerns a determination of rights and interests in real property situated in Washoe County.

#### **PARTIES**

- 3. Quail North West Phase II Maintenance Association ("the Association") is a Nevada nonprofit corporation which governs and manages the Common Area of the Quail Northwest Phase II commercial center (the "Business Park").
- 4. QUAIL NORTH WEST PHASE II, LLC, a Nevada limited liability company, was the original declarant for the Business Park (the "Developer").

#### **FACTUAL ALLEGATIONS**

- 5. The Business Park was originally owned by the Developer.
- 6. On December 8, 2004, the Developer recorded the Quail North West Phase II

  Declaration Granting Easements, Establishing Covenants, Conditions and Restrictions, and

  Providing for the Quail North West Phase II Maintenance Association with the Washoe County

  Recorder's Office as Document # 3139671 (the "CC&Rs").
  - 7. Pursuant to the CC&Rs, the Developer was also the Declarant.
  - 8. Pursuant to Article II Section 1 of the CC&Rs, the terms and conditions of Article 3 of NRS Chapter 116 are adopted and incorporated into the CC&Rs.
  - 9. Pursuant to NRS 116.31032(1)(a), any period of a declarant's control over a commoninterest community or its association terminates no later than 60 days after conveyance of 75% of the units to owner other than the declarant.
  - 10. Pursuant to Article II Section 2 of the CC&Rs, the purpose of the Association is to own, manage, repair and maintain the roadways, walkways, landscaping, parking areas, ingress and egress easements and other common area facilities, water drainage systems or structures, water mains, sewers, water sprinkling systems, gas mains and other public utilities and service systems conduits or lines within the [Business Park] and common area; and to enforce and administer the provisions

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of Articles II, III, and IV of the CC&Rs.

- Pursuant to Article II Section 3.4(d) of the CC&Rs, the Association is obligated to "operate, maintain and otherwise manage or provide for the operation, maintenance and management of the Quail North West Phase II roadways, walkways, parking areas, landscaping easements, common areas and facilities (except those subject to easements in favor of Declarant for covered 6|| parking), water drainage systems or structures, water mains, sewers, water sprinkling systems, gas mains and other public utilities and service systems, conduits or lines."
  - Pursuant to Article II Section 4.3(b) of the CC&Rs, "Until such time as Declarant 12. ceases to own any parcel or portion thereof Declarant shall have the right to exercise voting control of 51% of the Association."
    - Article II Section 8 of the CC&Rs reads, in its entirety: 13.

Declarant, as grantor, hereby grants to each Association Member, their respective lessees, tenants, employees, agents, customers, licensees and invitees, successors and assigns, reciprocal and non-exclusive easements upon the Common Area for the benefit of each parcel in the [Business Park] as more fully set forth in the Parcel Maps to be recorded at a later date, to include, but not limited to.

- Ingress and egress by vehicular and pedestrian traffic and parking upon the Common Area devoted to such use.
- Maintenance, repair and operation of water drainage, systems, water B. services, sewers, sprinkler or irrigation lines, telephone, electrical conduits or service gas mains or other utility service upon the common area.
- C. Use of an enjoyment of landscaping, walkways, patios and other similar improvements upon the Common Area.

Declarant, however, hereby expressly reserves to itself an exclusive easement upon the common area parking areas for the purpose of construction, operating, leasing, or otherwise using for the sole and exclusive benefit of Declarant covered parking facilities and signage in the specific locations set forth on Exhibit "B" attached hereto.

Such reservation, however, shall not operate or be construed to limit or adversely effect the use of said parking areas by the parcel owners as a credit to the overall parking ratio required by the Reno Municipal Code for the [Business Park].

Declarant shall be responsible for any and all maintenance, repair and insurance or other cost associated with said covered parking facilities or signage.

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- 14. The Developer never utilized its easement upon the common area parking areas.
- 15. The Developer never constructed, operated, leased, or otherwise used covered parking facilities and signage upon the common area parking areas.
  - 16. The Developer did not attach an Exhibit "B" to the CC&Rs.
- 17. Pursuant to Article V Section 2 of the CC&Rs, the CC&Rs may be amended upon obtaining the written consent of the collective Owners of at least a majority of the parcels within the Business Park. However, "[u]ntil such time as the Declarant ceases to own a parcel or a portion thereof, Declarant shall have the right to amend the [CC&Rs] regardless of its percentage ownership."
  - 18. The Association began operating immediately upon its creation in 2004.
- 19. On July 5, 2007, the Developer recorded a Fifth Amendment to the Quail North West Phase II Declaration Granting Easements, Establishing Covenants, Conditions and Restrictions, and Providing for the Quail North West Phase II Maintenance Association with the Washoe County Recorder's Office as Document # 3551482 (the "Fifth Amendment").
- 20. The Fifth Amendment deleted and restated Article II Section 4.3(b) of the CC&Rs as follows: "Until such time as Quail North West Phase II, LLC ceases to own any parcel or has an ownership interest in any parcel therefor Quail North West Phase II, LLC shall have the right to exercise voting control of 51% of the Association."
- 21. By October 2012, the Developer had sold all but three (3) units within the Business Park to owners other than the Declarant.
- 22. Pursuant to NRS 116.31032(1)(a), the period of the Developer's control over the Association and the Business Park terminated prior to October 2012.
- 23. On October 3, 2012, the Developer's lender, Bank of America, N.A., foreclosed on collateral securing a loan taken out by Developer, including all real property owned by the Developer in the Business Park.
- 24. On October 8, 2012, the trustee recorded a *Trustee's Deed Upon Sale* with the Washoe County Recorder's Office as Document #4160580, conveying all real property previously owned by the Developer in the Business Park to Commercial 9-12 Fund, LLC, a Delaware limited liability company.

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- 25. After October 8, 2012, the Developer no longer owned any parcel, any portion thereof, or had an ownership interest in any parcel in the Business Park.
- 26. On February 15, 2024, the Developer recorded a Correction Amendment to Quail North West Phase II Declaration Granting Easements, Establishing Covenants, Conditions and Restrictions, and Providing for the Quail North West Phase II Maintenance Association with the Washoe County Recorder's Office as Document # 5436039 (the "Correction Amendment").
- 27. The Correction Amendment purports to amend the CC&Rs "to properly reference Exhibit B as the 'site map' for purposes of the [CC&R]'s Section 8, <u>Grant and Reservation of Easements</u>, Subparagraph C (at Page 11) related to signage, which were constructed in 2005 when the property was completed."
- 28. The Correction Amendment further purports to attach "a legible copy of the correction Exhibit B, Quail North West II 'site map' with the monument sign locations identified."
- 29. The Correction Amendment was executed by the Developer purporting to act as the Declarant, despite the fact that the period of declarant's control had ended more than 10 years earlier.
- 30. The Correction Amendment was executed by the Developer purporting to act as the Declarant, despite the fact that the Developer had lost all interests in the Business Park to foreclosure in October 2012.
  - 31. The Correction Amendment was not authorized by the Association.
- 32. The Correction Amendment was not approved by written consent of the collective Owners of at least a majority of the parcels within the Business Park.
- 33. The Developer had no right to execute the Correction Amendment, record the Correction Amendment, or otherwise take any action whatsoever concerning the CC&Rs, the Association, or the Business Park.
  - 34. The Correction Amendment is not a duly adopted amendment to the CC&Rs.
- 35. The Correction Amendment is an unauthorized, unfounded, and improper encumbrance upon the properties within the Business Park.

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#### FIRST CLAIM FOR RELIEF

#### (Quiet Title)

- 36. The Association repeats the allegations contained in the other paragraphs of this Complaint and incorporates them by reference as if fully set forth here.
- 37. NRS 40.010 allows an action to be brought by any person against another who claims an estate or interest in real property, adverse to the person bringing the action, for the purpose of determining such an adverse claim.
- 38. The Association and its members have an interest in the operations, management, and terms of the CC&Rs and the Business Park.
- 39. By unilaterally recording the Correction Amendment, the Developer has improperly asserted an interest in the properties of the Business Park, attempting to unilaterally amend the CC&Rs and impact the rights and responsibilities of the Association and its members.
- 40. The Developer has no interest in any of the properties of the Business Park and has no right whatsoever to amend the CC&Rs or otherwise encumber the properties which make up the Business Park.
- 41. Because the Association's and its Members' property rights concerning the CC&Rs and the Business Park are superior to any claimed property rights from the Developer, an order must be entered determining that the Developer has no right or authority to unilaterally amend the CC&Rs or otherwise encumber or alter the property rights of the Association or its Members.

#### **SECOND CAUSE OF ACTION**

#### (Declaratory Relief)

- 42. The Association repeats the allegations contained in the other paragraphs of this Complaint and incorporates them by reference as if fully set forth here.
- 43. The Association seeks declaratory relief from this Court to determine the rights and obligations between the parties with regard to the property rights outlined in this Complaint.
- 44. Without judicial determination and declaration as to what parties hold rights to the property at issue, this matter cannot be resolved with any certainty or finality.

I, Doug Poirier, President of Plaintiff, QUAIL NORTH WEST PHASE II MAINTENANCE ASSOCATION, a Nevada nonprofit corporation, make this verification. I have read the foregoing Verified Complaint and know the contents thereof. The same is true of my own knowledge, except as to those matters which are therein alleged upon information and belief, and as to those matters, I believe them to be true.

I declare under the penalty of perjury that the foregoing is true and correct.

Executed in Reno, Nevada.

DATED this 44 day of February, 2025.

By: QUAIL RIDGE NORTH WEST PHASE MAINTENANCE ASSOCIATION

Doug Poirier, President