

OFFICIAL RECORD
Requested By:
WILLIAM NICHOLS

1220-04-201-011

When Recorded, Mail To:

The Quails Nest Trust
220 Sheridan Creek Court
Gardnerville, Nevada 89460

Douglas County - NV
Werner Christen - Recorder
Page: 1 Of 8 Fee: 21.00
BK-0608 PG- 4114 RPTT: 0.00



DECLARATION OF COVENANTS
CONDITIONS AND RESTRICTIONS
OF
WATERLOO PROFESSIONAL CENTER

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS is made this
17 day of JUNE, 2008, by THE QUAILS NEST TRUST, hereinafter referred to as
the "Declarant".

WITNESSED

Whereas, Declarants own real property situated in Gardnerville, County of Douglas, Nevada, which is described as Parcel 1 per Doc. No. 563651, Bk. 103, Page 4223 and recorded as a commercial subdivision containing all the lands shown on that certain plat filed concurrently herewith as Document 0715488 and a Record(s) of Survey as Document _____, _____ filed in the Office of the County Recorder of Douglas County, which lands are more fully described in Exhibit "A", and shall be referred to as "the property", and

Whereas, Declarants have developed on the property certain commercial buildings which constitute a professional office center known as Waterloo Professional Center.

Whereas, by this declaration, Declarants intend to set forth a reciprocal and common plan for the benefit, use, enjoyment, maintenance, repair, restoration and improvement of the center, and the interests therein, and for the benefit of sharing of expenses pertaining thereto; and

Whereas, Declarants hereby declare that all of the real property referred to herein as the project, and in exhibit "A" attached hereto, is held and shall be held, conveyed, encumbered, leased, rented, used, occupied and improved subject to these limitations, restrictions, covenants and conditions, all of which are declared and agreed to be in furtherance of a plan for the center, and the lease of all or a portion of the center to tenants, and are established and agreed upon for the purposes of enhancing the value, desirability and attractiveness of all of said property and every part thereof; and

Whereas, The Owner(s) agree that it is their intent to hold any regular or needed meetings at an agreed on convenient place to discuss any repair and maintenance needs of the project, joint sharing or any project expenses, signing of any annual shared maintenance contracts, gathering contract bids or any other business that is for the benefit of the Owners. In no way is it the intent of the Owners to permit their portion of the project to deteriorate so as to have a negative effect on any other Owner, surrounding parcels or businesses.

Article I - Definitions

- A. Unit: A Unit consists of each one of the separate and individual leased buildings and improvements within the center owned by Declarants. The units within the center are identified as 1244, 1246 and 1248 Waterloo Lane, Gardnerville, Nevada as well as any future units that may be added.

- B. **OWNER AND OWNER'S AGENTS:** Owner is defined to be the corresponding Declarant, or any person or entity shown on the record title to the property, including any heirs, successors and assigns of an Owner.
- C. **COMMON AREAS; SIDEWALKS, PARKING, LANDSCAPING, DRIVEWAYS:** Despite the manner in which they are titled to any respective Owner, the areas deemed to be common areas within the project and the property consist of: sidewalks, all the paved and landscaped areas within the property, parking spaces developed on the property as being used by tenants of the Declarants, but excluding all areas within the building envelopes as developed on the property. The Units shall have the perpetual non-exclusive right to use the common areas for pedestrian and vehicle access to and egress from the center and each Unit and unless otherwise designated by Declarants, for parking together with others who are entitled to use the common areas, subject to these CC&R's. The common areas are also subject to easements and rights of way of record for all public utility purposes. The designation of the common areas within the project shall not be construed as dedication to the public.

This declaration shall be deemed a covenant running with the land or as an equitable servitude, as the case may be, and shall constitute benefits and burdens to the parcels described above and shall be binding on the declarant and declarant's assigns and all persons hereafter acquiring or owning any interest in the above described parcels.

This declaration may not be revoked or modified without the prior express written and recorded consent of Douglas County, Nevada. Douglas County is deemed and agreed to be a third party beneficiary of this declaration and as such can enforce the provisions of the declaration.

D. **PERCENTAGES:**

1. **Voting rights:** Each original parcel is equal to one Owner which is equal to one vote on any matter that requires a vote. All actions except amendment of these CC&R's shall be by majority vote (i.e. 2 of 3 Owners). Owners may vote by written proxy. In the event of a tie no action shall be taken.
2. **Expenses:** Common area costs include, but are not limited to, insurance with regard to common areas (as set forth in Article II), for maintenance or replacement, administrative/management fees, asphalt repair, maintenance or replacement, snow removal, lot cleaning and landscaping etc. Owners' payment percentage is determined by the pro-ration of each owner's developed square footage of office space within each of the owner's building envelopes as compared to the whole number of developed square footage on the property and within the project.

Article II – Maintenance, Repair and Replacement

Owners, on a pro-rata basis, shall be responsible for the cost of the annual inspection of the backflow prevention systems for the commercial water lines and fire supply lines, fire warning system, fire alarm system monitor, Verizon fire alarm lines, liability insurance covering common areas (see the following paragraph for additional requirements), together with all other common items as deemed appropriate by the Owners. Only the Owners pursuant to these CC&R's are authorized to enter into and maintain the necessary contracts for such common repair, replacement, and maintenance of the required items. The Owners, at their option, shall set up a joint bank account with the pro-rata Owner contribution deposited therein for the purpose of payment of above costs. The joint bank account shall require Owners to pay any common area bills for costs not already paid individually by the Owners. The Owners contribution made into the joint bank account would be made in the same percentages listed in Article I (D).



The Owners shall provide a policy or policies of insurance from a single carrier to fully insure all the common areas, as set forth in these CC&R's (to the extent not insured by each Unit's building envelope insurance). Each Unit agrees to cooperate in obtaining said "one package" policy of insurance and for paying its pro-rata cost.

Article III – Reserves

The Owners, at their option, shall establish a joint bank account for the benefit of all Owners for the use of payment of common area expenses agreed to by the Owners. The amount kept in the joint bank account or the amount increased shall be determined by an agreement of all Owners. Owners shall agree to timing, method, contractor and payment prior to making any necessary capital repair or replacement.

Article IV – Enforcement

In the event an Owner fails to pay any amounts due under these CC&R's, and has had a reasonable amount of time to do so, such time not to exceed the period of thirty (30) days, the other Owners are given the authority to withdraw the amount due from that Owner's portion of the joint bank account to pay past due bills, to advance sums on behalf of any Owner not timely paying said sums into the joint bank account, and further require that Owner to reimburse any advanced sums with interest at twelve percent (12%) per annum from the date such sums were withdrawn until the date said sums are re-deposited.

Article V – Duration and Amendment of CC&R's

- A. Duration: These CC&R's, as they may be amended, shall remain in full force and effect from the date of the recordation of these CC&R's in Douglas County, Nevada, Official Records until terminated in writing by agreement of all Owners of the Units. (See Article XI.E)
- B. Amendment: These CC&R's may be amended at any time by a written instrument executed and agreed to by all the Owners, and recorded in Douglas County, Nevada, Official Records.

Article VI – Binding Effect

These CC&R's shall have the effect of equitable servitude upon each Unit, and upon the project as a whole, and shall be binding upon each Owner, their heirs, successors, and assigns. Each Owner, upon acquiring legal or equitable title to a Unit, agrees to take subject to, and be bound by these CC&R's.

Article VII – Mortgage Protection Clause

These CC&R's shall be deemed superior to any lien of any lender to any Unit, provided, however, that nothing in the CC&R's shall be construed now or hereafter to defeat or render invalid the lien of any mortgages or deed of trust made in good faith and for value upon any portion of the real property subject to the CC&R's. These CC&R's specifically recognize and approve of a mortgage or deed of trust being taken by a lender. Should any lender be required to foreclose its interest in one or more of the Unit(s) securing any loan, the purchaser shall take the Unit(s) subject to these CC&R's whether the CC&R's were filed before or after the lien of lender. No amendment or modification of these CC&R's recorded after the filing of a lender's lien will be binding on that lender's lien unless and until lender agrees to be expressly bound by said modification or amendment in writing.

Article VIII – Parking

The parking spaces on the Common Areas shall be for the non-exclusive use of the Owners or the Units, and such Owners' invitees, tenants and employees. Each Owner agrees to require by lease that



each tenant's employees shall park in the rear parking area. Such parking designations may not cause and Unit to violate any rule, regulation or Code of Douglas County, Nevada, and the handicap or unloading areas shall at all times be for the common use of all Units. Owner and Owner's agents shall not park or permit the parking of their vehicles in any portion of the parking areas not designated as a non-exclusive parking area.

Temporary parking shall mean parking of vehicles belonging to guests of owners and commercial vehicles being used in the furnishing of services to the owners and parking of vehicles belonging to or being used by owners for loading and unloading purposes.

The Owner(s) reserves full right to take action within the parameters of these declarations against the maintenance and use of a vehicle on the property which violates the spirit and intent of this section.

Article IX – Law and Venue

These CC&R's are governed by the laws of the State of Nevada. Venue shall be in Douglas County, Nevada.

Article X – Miscellaneous

- A. **Entire Declaration:** These CC&R's constitute the entire CC&R's between the Owners. The Owners do not rely upon any statement or representation not herein expressed. Once executed these CC&R's shall not be modified, except in writing by the Owners, as provided herein.
- B. **No structure shall be painted or otherwise decorated in any color or in any manner which is not in keeping with the original approval of the Declarant or is otherwise objectionable or detrimental to neighboring residences.**
- C. **Exhibits:** The exhibits attached hereto and Recitals are incorporated herein by reference.
- D. **Signs:** No sign or bill board of any kind shall be displayed to the public view on any portion of the property except such signs as may be used by Declarant or its sales agents in connection with the development and sale of the property; provided, however, that for a reasonable time, and from time to time an owner may display on his lot one (1) sign advertising its sale or lease by him so long as such sign complies with any customary and reasonable standards promulgated by the Declarant as to size, color, shape or other qualification for the permitted sign. Political signs, as allowed by the Douglas County Code also shall be permitted.
- E. **Antennas:** No radio transmitting and receiving antennas for short wave or ham radio installations shall be installed.
- F. **Satellite Dishes:** Pursuant to the 1999 FCC Ruling entitled Over-the-Air Reception Devices Rule, satellite dishes are allowed, but their location is controlled. Dishes one meter (39.37") or over in diameter are disallowed completely. Dishes less than one meter in diameter are parapet installed for best signal and must be kept below the roof parapet line.
- G. **Taxes:** Each Owner shall pay, when due, all taxes and assessments, if any, lawfully levied upon its Unit, including any common area within its Unit.
- H. **Right of Enforcement and Binding Arbitration:** Any controversy or claim arising out of or relating to these CC&R's that cannot be resolved in a means acceptable to all Owners shall be settled before an independent arbitrator or arbitrators in accordance with the Commercial Dispute Resolution Rules (the "Rules") of the American Arbitration Association and any judgment on the award rendered by the arbitrator(s) shall be final and binding and may be



entered into any court having jurisdiction thereof. If the matter is reasonably determined to involve a matter whose financial cost or cost of compliance is under \$25,000, a single arbitrator will be selected according to the Rules. If reasonably determined to be greater than that sum, a panel of three (3) arbitrators shall be selected according to the Rules. Arbitration shall be commenced within (30) days from demand for arbitration which is received or delivered and shall be conducted within twenty-five (25) miles of the property described in exhibit "A". The arbitrator shall have authority to impose all legal or equitable relief authorized to be arbitrated upon the parties including the award of reasonable attorney's fees, costs and expenses.

Article XI - General Provisions

- A. **Enforcement:** The Declarant, any owner, or a Association in its own name and on its own behalf, or on behalf of any owner who consents, can commence and maintain actions for damages to restrain and enjoin any actual or threatened breach of any provisions of this declaration or the articles to enforce by mandatory injunction, or otherwise, all of those provisions.
- B. **No Waiver:** Failure by the Declarant, Association or any owner to enforce any covenant, condition, or restriction herein contained in any certain instance or on any particular occasion shall not be deemed a waiver of such right on any such future breach of the same or any other covenant, condition or restriction.
- C. **Cumulative Remedies:** All rights, options and remedies of Declarant, or the owners under this Declaration is cumulative, and not one of them shall be exclusive of any other, and Declarant, and the owners shall have the right to pursue any one or all of such rights, options and remedies or any other remedy or relief which may be provided by law, whether or not stated in this Declaration.
- D. **Severability:** Invalidation of any one or a portion of these covenants, conditions or restrictions by judgment or court order shall in no way affect any other provision which shall remain in full force and effect.
- E. **Covenants to Run with the Land: Term:** The covenants, conditions and restrictions of this Declaration shall run with and bind the property and shall inure to the benefit of and be enforceable by any owner, their respective legal representatives, heirs, successors and assigns, until December 31, 2017. After which time said covenants, conditions and restrictions shall be automatically extended for successive periods of ten (10) years, unless an instrument, signed by a majority of the then owners has been recorded at least one (1) year prior to the end of any such period, agreeing to change said covenants, conditions and restrictions in whole or in part.
- F. **Singular Includes Plural:** Whenever the context of this Declaration requires same, the singular shall include the plural and the masculine shall include the feminine and the neuter.
- G. **Nuisance:** The result of every act or omission, whereby any provision, condition, restriction, covenant, easement, or reservation contained in this Declaration is violated in whole or in part, is hereby declared to be and constitutes a nuisance, and every remedy allowed by law or equity against a nuisance, either public or private, shall be applicable against every such result, and may be exercised by the Declarant or any owner. Such remedy shall be deemed cumulative and not exclusive.
- H. **Attorney's Fees:** In the event action is instituted to enforce any of the provisions contained in this Declaration, the party prevailing in such action shall be entitled to recover from the other party thereto as part of the judgment reasonable attorneys' fees and costs of such suit.

EXHIBIT "A"
LEGAL DESCRIPTION

Order No.:

The land referred to herein is situated in the State of Nevada,
County of DOUGLAS, described as follows:

That portion of the Southwest 1/4 of the Northwest 1/4 of
Section 4, Township 12 North, Range 20 East, M.D.B.&M.,
particularly described as follows:

Parcel 1:

Parcel 1 of the Official Parcel Map for Minden-Gardnerville
First Baptist Church recorded on January 10, 2003 in Book
0103, Page 4223, as Document No. 563651, Official Records
of Douglas County.

Parcel 2:

An easement for ingress and egress is set forth in Document
Recorded March 8, 2005, Book 0305, Page 3238, as Document
No. 638441, Official Records of Douglas County.

Assessor's Parcel No. 1220-04-201-011

NOTE: THIS PLAT IS
 INSERTED FOR REFERENCE
 PURPOSES ONLY AND IS
 NOT MADE A PART OF THIS
 TITLE EVIDENCE.

Douglas County, Nevada

Assessor's Office
 Douglas County Assessor

Map Legend

- Parcel Boundary
- Sub'd Boundary
- Easements
- Town Boundary
- Township/Ranges/Section
- Open Space/Conserv. Ease.
- Receiving Area

Parcel Number

Parcel Sub/Seq Number

Parcel Acreage

Parcel Block Number

Parcel Lot Number

Parcel Address

T12 N R20 E

SEC. 4

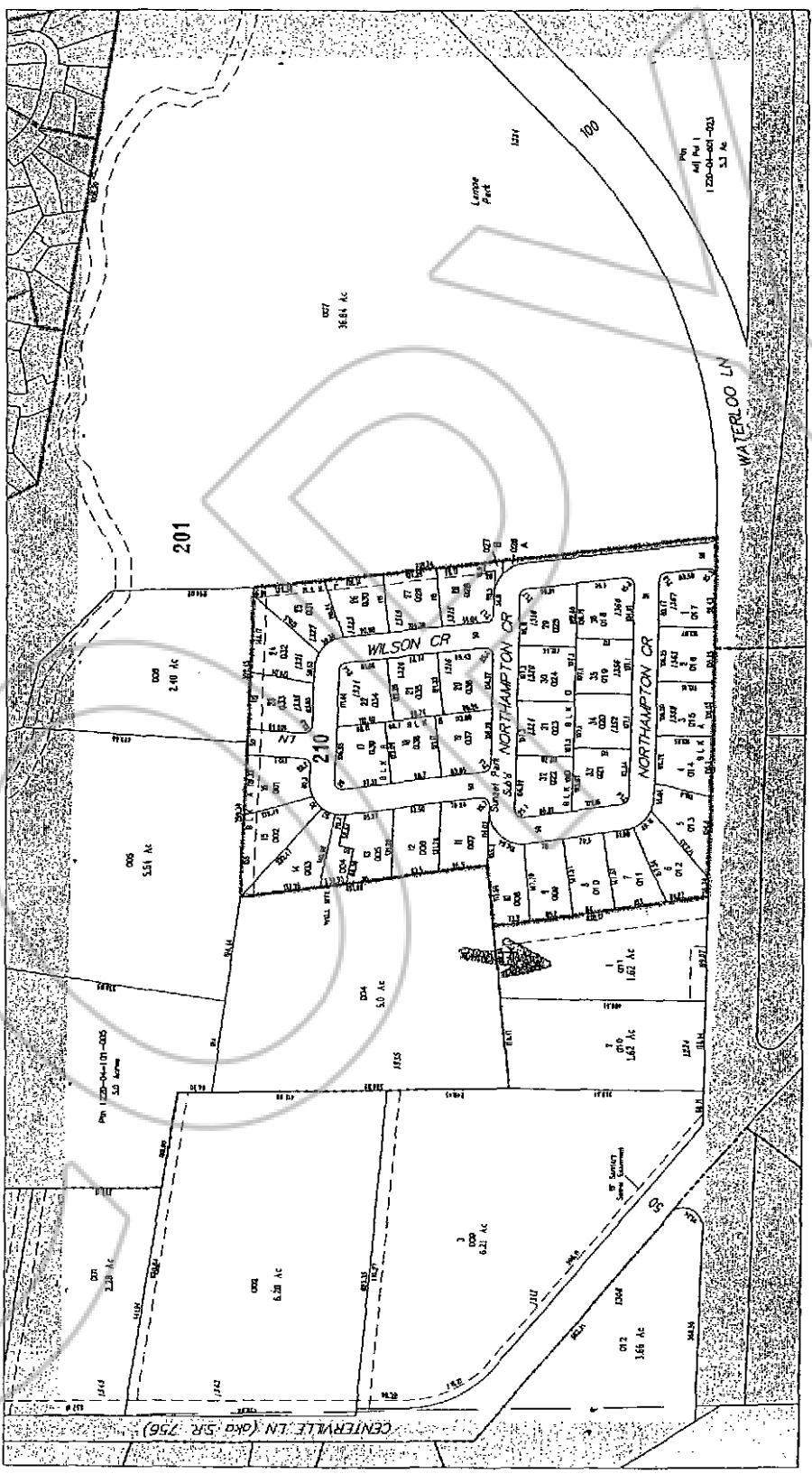
S 2 NW 4

1220-04-2

6	5	3	2	1	
7	8	9	10	11	12
13	14	15	16	17	18
19	20	21	22	23	24
25	26	27	28	29	30
31	32	33	34	35	36

SCALE: 1" = 200'

REVISED: 04/06/2008



It does not represent a survey of the premises. No liability is assumed as to the sufficiency or accuracy of the data delineated hereon.