

# Staff Report

Date: December 10, 2021

To: Technical Review Committee, Washoe County HOME Consortium

From: Housing and Neighborhood Development Division, City of Reno

Subject: Presentation, Discussion and Possible Approval of DWF V Summit Club Property Owner Request for Consent to Partial Relinquishment of Interest in Declaration of Restrictive Covenants on Adjacent Parcels (For Possible Action)

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In 2017, the Washoe County HOME Consortium (WCHC) awarded funding to DWF V Summit Club for the construction of new multi-family affordable units to be located at the INOVA (aka Summit Sierra Apartments) Apartments and as such is a lienholder in financing for said project. The project completed in 2021 and on October 25, 2021, the Summit Club Entities reached out requesting all financial lien holders provide consent to the partial relinquishment of interest in the Declaration of Restrictive Covenants (DRC) on adjacent parcels to the INOVA project.

## Background:

A joint venture between Panattoni Development Company and Clarion Capital Partners (“Adjacent Parcel Purchaser”) is under contract to acquire land (the “Adjacent Parcel”) that is adjacent to the property owned by DWF V Summit Club Property Owner, LLC and DWF V Summit Club Holdings, LLC (the “Summit Club Entities”). The Adjacent Parcel is subject to a Declaration of Restrictive Covenants (attached) (the “Existing Declaration”) that restricts the development of, among other things, “any operation primarily used as a storage warehouse operation...”

The Adjacent Parcel Purchaser intends to develop industrial warehouses on the Adjacent Parcel and is prohibited from doing so pursuant to the terms of the existing DRC. The Adjacent Parcel Purchaser has requested that benefitted parties under the existing DRC, including the Summit Club Entities, relinquish their respective rights in and to the existing DRC. Such relinquishment will be effectuated through a Partial Relinquishment of Interest in Declaration of Restrictive Covenants (attached) (the “Partial Relinquishment”). Each existing lienholder in financing obtained by the Summit Club Entities has been asked to execute a consent to the Summit Club Entities’ execution and delivery of the Partial Relinquishment.

In connection with their execution of the Partial Relinquishment, the Summit Club Entities have requested that the Adjacent Parcel Purchaser subject the Adjacent Parcel to a separate DRC (attached) (the “New Declaration”), which New Declaration, among other things:

- (i) limits development in a defined restricted area to office, commercial/retail and residential (excluding manufactured or mobile homes) and/or multifamily,
- (ii) permits non-commercial truck gas station use in a defined area (but otherwise restricts truck stops and fueling facilities for commercial trucks),
- (iii) prescribes certain standards with respect to exterior signage and
- (iv) limits development in a certain defined area to Class A office, retail or multifamily.

The property owned by the Summit Club Entities will be benefitted by the New Declaration, and any successors in interest to the property owned by the Summit Club Entities will be permitted to enforce the New Declaration. The Summit Club Entities have negotiated the terms of the New Declaration and believe that the execution of the New Declaration (together with the Partial Relinquishment) are in the best interest of the property owned by the Summit Club Entities.

Discussion:

Although, the WCHC is not a party to, nor an interest holder in the Adjacent Parcel DRC, as a financial lien holder, Summit Club Entities is requesting the WCHC consent to the Summit Club Entities' relinquishment of their respective in rights in the existing DRC through a Partial Relinquishment of Interest in Declaration of Restrictive Covenants.

Pursuant to the WCHC Policies and Procedures, no guidelines are provided for this type of request, nor is there a precedent; however, out of an abundance of caution, this item has been brought forward for review. The approval of the request for consent by Technical Review Committee (TRC) will be forwarded to the WCHC Directors for final WCHC approval during the April 2022 meeting.

Possible Motion:

Move to approve the recommendation to the Directors to approve the Washoe County HOME Consortium consent to the partial relinquishment of the interest in the Declaration of Restrictive Covenants on Adjacent Parcels to the property owned by DWF V Summit Club Property Owner, LLC and DWF V Summit Club Holdings, LLC.

A.P.N.'s: 049-384-05, 049-384-06, 049-384-07, 049-392-11, 049-392-12, 049-392-13 and 049-385-03

RECORDED AT THE REQUEST OF  
AND WHEN RECORDED RETURN TO:

c/o Panattoni Development Company, Inc.  
980 Sandhill Road, Suite 100  
Reno, Nevada 89521

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**PARTIAL RELINQUISHMENT OF INTEREST IN DECLARATION OF  
RESTRICTIVE COVENANTS**

THIS PARTIAL RELINQUISHMENT OF INTEREST IN DECLARATION OF RESTRICTIVE COVENANTS (“**Relinquishment**”) is made this \_\_\_ day of \_\_\_\_\_, 2021, by DWF V SUMMIT CLUB PROPERTY OWNER, LLC, a Delaware limited liability company (“**DWF V Summit Club Property Owner**”) and DWF V SUMMIT CLUB HOLDINGS, LLC, a Delaware limited liability company (“**DWF V Summit Club Holdings**”) (collectively, the “**Benefited Party**”) in favor of **580 SOUTH INDUSTRIAL, LLC**, a Delaware limited liability company (“**Burdened Property Portion Owner**”). The Benefited Party and the Burdened Property Portion Owner are sometimes collectively referred to herein as the “**Parties**” and individually as a “**Party**”.

**RECITALS**

A. DWF V Summit Club Property Owner is the owner of the real property located in the County of Washoe, State of Nevada, described in Exhibit A-1, attached hereto and made a part hereof (“**DWF V Summit Club Property Owner Property**”).

B. DWF V Summit Club Holdings is the owner of the real property located in the County of Washoe, State of Nevada, described in Exhibit A-2, attached hereto and made a part hereof (“**DWF V Summit Club Holdings Property**”).

C. The DWF V Summit Club Property Owner Property and the DWF V Summit Club Holdings Property are collectively referred to herein as the “**Benefited Parcel Portion**”.

D. The Benefited Parcel Portion represents a portion of the “Benefited Parcel” (as such term is defined in the Restrictive Covenants, defined below).

E. The Burdened Property Portion Owner is the owner of a portion of the Burdened Property (as defined in the Restrictive Covenants) as more particularly described in Exhibit B, attached hereto and made a part hereof (“**Burdened Property Portion**”).

F. The Benefited Parcel Portion and the Burdened Property Portion are subject to that certain Declaration of Restrictive Covenants recorded in the Official Records of Washoe County, Nevada, on September 4, 2007, as Instrument No. 3572083 and re-recorded on September 18, 2007, as Instrument No. 3576400 (“**Restrictive Covenants**”).

G. As a successor owner of a portion of the Benefited Parcel, the Benefited Party has agreed to fully release and relinquish all of its right, title, and interest, in, to, and under the Restrictive Covenants with respect to the Burdened Property Portion (but only with respect to the Burdened Property Portion).

### **AGREEMENT**

Now therefore, in consideration of the foregoing recitals (which are hereby incorporated by this reference) and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. All capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Restrictive Covenants.

2. Each Benefited Party hereby fully, unconditionally and irrevocably releases, relinquishes, and quitclaims and reconveys unto the person or persons legally entitled thereto: (i) all of its right, title, and interest, in, to, and under the Restrictive Covenants with respect to the Burdened Property Portion only, and (ii) any right to enforce any term or provision of the Restrictive Covenants against any portion of the Burdened Property Portion or the Burdened Property Portion Owner or any of its successors or assigns.

3. Each Benefited Party represents to the Burdened Property Portion Owner that the person(s) signing this Relinquishment on behalf of the applicable Benefited Party is authorized to do so, and to bind, the applicable Benefited Party.

4. This Relinquishment may be executed in two or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

5. Except as otherwise released and relinquished hereby with respect to the Burdened Property Portion, the Restrictive Covenants shall remain unmodified and in full force and effect with respect to the remainder of the Burdened Property.

*[Signature Pages Follow]*





**BURDENED PROPERTY PORTION OWNER:**

**580 SOUTH INDUSTRIAL, LLC,**  
a Delaware limited liability company

By: 580 South Industrial PG, LLC,  
a Delaware limited liability company,  
Managing Member

By: PDC Nevada LLC,  
a Delaware limited liability company,  
Manager

By: \_\_\_\_\_  
Douglas Roberts, Local Partner

STATE OF NEVADA                    )  
  )  
COUNTY OF                            )

This instrument was acknowledged before me on \_\_\_\_\_ by  
Douglas Roberts, Local Partner of PDC Nevada LLC, a Delaware limited liability company,  
Manager of 580 South Industrial PG, LLC, a Delaware limited liability company, Managing  
Member of 580 South Industrial, LLC, a Delaware limited liability company.

\_\_\_\_\_  
Notary Public  
(My commission expires: \_\_\_\_\_)

*[End of Signature Pages]*

EXHIBIT A-1

LEGAL DESCRIPTION OF THE  
DWF V SUMMIT CLUB PROPERTY OWNER PROPERTY

PARCEL B AS SHOWN ON PARCEL MAP NO. 5164, FOR REDUS RENO, LLC, ACCORDING TO THE MAP THEREOF, FILED IN THE OFFICE OF THE COUNTY RECORDER OF WASHOE COUNTY, STATE OF NEVADA, ON MAY 22, 2015, AS FILE NO. 4471325, OFFICIAL RECORDS.



EXHIBIT A-2

LEGAL DESCRIPTION OF THE  
DWF V SUMMIT CLUB HOLDINGS PROPERTY

PARCELS 1 AND 2 OF PARCEL MAP NO. 5289, FOR SIERRA SUMMIT CLUB APARTMENTS, LLC, ACCORDING TO THE MAP THEREOF, FILED IN THE OFFICE OF THE COUNTY RECORDER OF WASHOE COUNTY, STATE OF NEVADA, ON MAY 11, 2017, AS FILE NO. 4703283, OFFICIAL RECORDS.

EXHIBIT B

LEGAL DESCRIPTION OF THE BURDENED PROPERTY PORTION

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

PARCEL 1:

A PORTION OF THE SOUTHEAST ¼ OF THE NORTHEAST ¼ OF SECTION 29, TOWNSHIP 18 NORTH, RANGE 20 EAST, M.D.B.&M. DESCRIBED AS BEGINNING AT A POINT ON THE SOUTH LINE OF SAID SOUTHEAST ¼ OF THE NORTHEAST ¼ OF SECTION 29, DISTANT NORTH 89°41' WEST, 415.5 FEET FROM THE EAST ONE QUARTER SECTION CORNER OF SAID SECTION 29, SAID POINT OF BEGINNING IDENTICAL WITH THE SOUTHWEST CORNER OF THAT LAND DESCRIBED IN A DEED IN BOOK 236 OF "DEEDS", FILING NO. 174192, WASHOE COUNTY RECORDS AND IDENTICAL WITH THE MOST EASTERLY CORNER OF THAT LAND DESCRIBED IN A DEED FROM H. AL PEIGH TO SIERRA PACIFIC POWER CO., FILED JANUARY 21, 1960 UNDER FILING NO. 314274 WASHOE COUNTY RECORDS.

THENCE NORTH 52°07' WEST, 673.26 FEET ALONG THE NORTHEASTERLY LINE OF THE LAST DESCRIBED LAND TO A POINT ON THE SOUTHERLY RIGHT OF WAY LINE OF THE MOUNT ROSE STATE HIGHWAY.

THENCE NORTH 57°37'30" EAST, 1117.73 FEET ALONG SAID SOUTHERLY RIGHT OF WAY LINE TO ITS INTERSECTION WITH THE EAST LINE OF SAID SOUTHEAST ¼ OF THE NORTHEAST ¼ OF SECTION 29.

THENCE SOUTH 0°09'45" EAST 431.22 FEET ALONG SAID EAST LINE TO THE NORTHEAST CORNER OF SAID LAND DESCRIBED IN A DEED IN BOOK 236 OF "DEEDS", FILING NO. 174192, WASHOE COUNTY RECORDS.

THENCE SOUTH 69°55'10" WEST, 257.00 FEET (SHOWN AS SOUTH 69°58' WEST, 257.0 FEET IN SAID DEED).

THENCE NORTH 81°00' WEST, 176.10 FEET (SHOWN AS NORTH 81°30' WEST, 176.10 FEET IN SAID DEED) TO THE NORTHWEST CORNER OF SAID LAND.

THENCE SOUTH 0°09'45" EAST, 520.00 FEET (SHOWN AS SOUTH 520 FEET IN SAID DEED) ALONG THE WEST LINE OF SAID LAND TO THE PLACE OF BEGINNING.

NOTE: THE ABOVE METES AND BOUNDS DESCRIPTION APPEARED PREVIOUSLY IN THAT CERTAIN INSTRUMENT RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF WASHOE COUNTY, NEVADA ON JUNE 17, 2011, AS DOCUMENT NO. 4014383 OF OFFICIAL RECORDS.

PARCEL 2:

THE SOUTH ½ OF THE NORTHWEST ¼ OF SECTION 28, TOWNSHIP 18 NORTH, RANGE 20 EAST, M.D.B.&M.

EXCEPTING THEREFROM ANY PORTION THEREOF LYING NORTHERLY OF THE SOUTHERLY LINE OF STATE ROUTE 431 (MT. ROSE HIGHWAY) AS THE SAME NOW EXISTS.

ALSO EXCEPTING THEREFROM ANY PORTION THEREOF LYING EASTERLY OF THE WESTERLY LINE OF U.S. 395 SOUTH AS DESCRIBED IN THE FINAL ORDER OF CONDEMNATION RECORDED APRIL 26, 1995 IN BOOK 4290, PAGE 804, AS DOCUMENT NO. 1888633 OF OFFICIAL RECORDS.

PARCEL 3:

PORTION OF THE NORTH ½ OF THE NORTHWEST ¼ OF SECTION 28, TOWNSHIP 18 NORTH, RANGE 20 EAST, M.D.B.&M., BEING MORE FULLY DESCRIBED AS FOLLOWS, TO WIT:

BEGINNING AT A POINT ON THE NORTH ONE-SIXTEENTH SECTION LINE OF SECTION 28, TOWNSHIP 18 NORTH, RANGE 20 EAST, M.D.B.&M., 173.10 FEET LEFT OF AND MEASURED RADICALLY FROM THE CENTERLINE OF SR-430 (CARSON-RENO HIGHWAY) AT HIGHWAY ENGINEER'S STATION "CL"114+48.72P.O.C.; SAID POINT OF BEGINNING FURTHER DESCRIBED AS BEARING SOUTH 25°09'42" WEST A DISTANCE OF 1,465.61 FEET FROM THE NORTH QUARTER CORNER OF SAID SECTION 28;

THENCE NORTH 89°28'56" WEST, ALONG SAID NORTH ONE-SIXTEENTH SECTION LINE, A DISTANCE OF 1,508.85 FEET TO AN INTERSECTION WITH THE RIGHT OR SOUTHERLY RIGHT-OF-WAY LINE OF SR-431 (MT. ROSE ROAD);

THENCE ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE THE FOLLOWING THREE (3) COURSES AND DISTANCES: 1.) NORTH 58°20'23" EAST, 743.49 FEET; 2.) NORTH 65°17'46" EAST, 371.55 FEET; 3.) FROM A TANGENT WHICH BEARS NORTH 58°20'23" EAST, CURVING TO THE RIGHT WITH A RADIUS OF 205 FEET, THROUGH AN ANGLE OF 99°33'00", AN ARC DISTANCE OF 356.18 FEET TO A POINT ON THE LEFT OR WESTERLY RIGHT-OF-WAY LINE OF SAID SR-430;

THENCE SOUTH 22°06'37" EAST, ALONG SAID WESTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 147.50 FEET TO A POINT;

THENCE SOUTH 29°41'04" EAST, ALONG SAID WESTERLY RIGHT-OF-WAY LINE, A DISTANCE OF 374.29 FEET TO THE POINT OF BEGINNING.

NOTE: THE ABOVE METES AND BOUNDS DESCRIPTION APPEARED PREVIOUSLY IN THAT CERTAIN INSTRUMENT RECORDED IN THE OFFICE OF THE COUNTY RECORDER OF WASHOE COUNTY, NEVADA ON JUNE 17, 2011, AS DOCUMENT NO. 4014383 OF OFFICIAL RECORDS.





**CONSENT OF LIENHOLDER**

The undersigned beneficiary under that certain Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing (Swap) dated September 14, 2021, recorded in the Official Records of Washoe County, Nevada, on September 15, 2021 as Document Number 5226614 (as amended, the "Deed of Trust") hereby consents to all of the provisions contained in the Partial Relinquishment of Interest in Declaration of Restrictive Covenants ("Relinquishment"), to which this consent is attached.

The real property subject to the Relinquishment is described in Exhibit A-1, Exhibit A-2, and Exhibit B of the Relinquishment to which this is attached.

Dated: \_\_\_\_\_, 2021.

MIZUHO CAPITAL MARKETS LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

STATE OF NEVADA                    )  
  ) ss.  
COUNTY OF \_\_\_\_\_ )

This instrument was acknowledged before me on \_\_\_\_\_, by \_\_\_\_\_ as \_\_\_\_\_ of \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

**CONSENT OF LIENHOLDER**

The undersigned beneficiary under that certain Deed of Trust and Assignment of Rents dated February 20, 2018, recorded in the Official Records of Washoe County, Nevada, on February 20, 2018 as Document Number 4789320 (as amended, the "Deed of Trust"), hereby consents to all of the provisions contained in the Partial Relinquishment of Interest in Declaration of Restrictive Covenants ("Relinquishment"), to which this consent is attached.

The real property subject to the Relinquishment is described in Exhibit A-1, Exhibit A-2, and Exhibit B of the Relinquishment to which this is attached.

Dated: \_\_\_\_\_, 2021.

NEVADA HOUSING DIVISION,  
a division of the Nevada Department of Business and Industry,  
a state agency

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

STATE OF NEVADA )  
 ) ss.  
COUNTY OF \_\_\_\_\_ )

This instrument was acknowledged before me on \_\_\_\_\_, by \_\_\_\_\_ as  
\_\_\_\_\_ of \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

**CONSENT OF LIENHOLDER**

The undersigned beneficiary under that certain Deed of Trust, Security Agreement, Construction Mortgage and Fixture Filing and Assignment of Rents and Other Proceeds; Request for Notice of Default dated February 1, 2018, recorded in the Official Records of Washoe County, Nevada, on February 20, 2018 as Document Number 4789321 (as amended, the "Deed of Trust"), hereby consents to all of the provisions contained in the Partial Relinquishment of Interest in Declaration of Restrictive Covenants ("Relinquishment"), to which this consent is attached.

The real property subject to the Relinquishment is described in Exhibit A-1, Exhibit A-2, and Exhibit B of the Relinquishment to which this is attached.

Dated: \_\_\_\_\_, 2021.

CITY OF RENO,  
a municipal corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

STATE OF NEVADA                    )  
  ) ss.  
COUNTY OF \_\_\_\_\_ )

This instrument was acknowledged before me on \_\_\_\_\_, by \_\_\_\_\_ as  
\_\_\_\_\_ of \_\_\_\_\_.

\_\_\_\_\_  
Notary Public



