

TERRACE FALLS CONDOMINIUM OWNERS' ASSOCIATION UNIT IMPROVEMENTS CONSTRUCTION GUIDELINES

The following guidelines are applicable to all Unit Improvements Work at Terrace Falls.

A. Definitions.

1. "Unit Improvements Work" – Work related to maintenance, repairs, restoration, replacements and renovations on, to or in Units, *including any associated preparation/demolition work and clean-up work*, collectively and individually.
2. "Minor Unit Improvements Project" – Unit Improvements Work that (1) is not likely to take more than 14 days to complete, (2) does not involve a change to the exterior of the Unit, (3) does not involve any cutting into or penetration into a concrete floor or concrete ceiling, and (4) only involves non-structural work such as, but not limited to, painting, wallpapering, new flooring, new plumbing fixtures, air conditioner replacements, new lighting fixtures, and window and door replacements within existing openings.
3. "Major Unit Improvements Project" – Unit Improvements Work that does not qualify as a Minor Improvements Project.

B. Approval Process for Minor Unit Improvements Projects. Before starting any Unit Improvements Work on a Minor Unit Improvements Project, the Owner must do the following:

1. review these Terrace Falls Condominium Owners Association Unit Improvements Construction Guidelines ("Construction Guidelines");
2. advise those who perform work for the Owner, or at the Owner's direction, or with the Owner's permission, of all the requirements set forth in these Construction Guidelines that are pertinent to their presence on-site and the work they are doing, and take responsibility for ensuring that they meet them;
3. fill out and sign a Terrace Falls Condominium Owners Association Minor Unit Improvements Project Contract ("Minor Unit Improvements Project Contract");
4. submit that Contract to the Architectural Review Committee ("ARC") along with:
 - a. copies of the Contractor's license and proofs of liability insurance coverage and workers compensation insurance coverage (or applicable waivers or exceptions) for each Contractor performing Critical Skills Work (structural, gas, electrical or plumbing work) on the Project;
5. receive the ARC's written authorization to proceed, or wait 10 days without receiving disapproval from ARC, at which point authorization to proceed is assumed; and
6. notify ARC that the Work is commencing 24-48 hours prior to its actual start date.

C. Approval Process for Major Unit Improvements Projects. Before starting any Unit Improvements Work on a Major Unit Improvements Project, the Owner must do the following:

1. review these Construction Guidelines and supply a copy of them to the Owner's General Contractor (or, if the Owner has not retained a General Contractor, then to all of the individual Contractors the Owner intends to use);
2. make an Initial Submission to the ARC, which shall include:
 - a. detailed plans and drawings for the Project, that describe at a minimum: the demolition; any changes to the floor, plumbing, electrical system and gas lines ("Critical Skills Work"); any changes to the exterior of the Unit or the building; the identity, contact information and licensure for all subcontractors to be used for the Critical Skills Work; and the number of workers to be present on-site;

- b. a detailed Project schedule;
 - c. a copy of the building permit from the City, if one is required by the City AND the Project involves a change to the exterior of the building;
 - d. copies of the General Contractor's license and proofs of liability insurance coverage and workers compensation insurance coverage (or applicable waivers or exceptions); and
 - e. copies of the Contractor's license and proofs of liability insurance coverage and workers compensation insurance coverage (or applicable waivers or exceptions) for each subcontractor who will be performing Critical Skills Work (structural, gas, electrical or plumbing work) on the Project;
3. cause the Owner's General Contractor to attend, or if the Owner has no General Contractor, then the Owner attend with all of the Owner's subcontractors, a Preconstruction Meeting with a member of the ARC and a member of the Board, at which:
 - a. the Initial Submission will be reviewed and discussed, and if satisfactory, will be approved (If the Initial Submission is unsatisfactory, suggestions will be made and further submissions and meetings will be required.); and
 - b. appropriate Impact Fees and Compliance Deposits will be set, according to the schedule set forth in the Association Rules and Regulations;
 4. sign, and have the Owner's General Contractor sign (or, if the Owner has no General Contractor, then have all of the Owner's sub-contractors sign), a Terrace Falls Condominium Owners Association Major Unit Improvements Project Contract ("Major Unit Improvements Project Contract") and submit it to the ARC, which will submit it to the Board for approval;
 5. receive a copy of the approved Contract back from the Board, or wait 30 days without receiving disapproval from the Board, at which point authorization to proceed is assumed;
 6. pay the Impact Fee and have the General Contractor pay (or, if the Owner is acting as the Owner's own General Contractor, then, to the extent required by the ARC, the Owner's subcontractors pay) the Compliance Deposit, as described further below; and
 7. provide at least 24 hours' notice to the Board of the actual start date for the Work.

D. Impact Fees, Compliance Deposits and Non-Compliance Fines for Major Unit Improvements Projects.

1. Impact Fee. Every Owner who wishes to begin a Major Unit Improvements Project on, in or to the Owner's Unit must pay a non-refundable Impact Fee of \$250 that is used to offset, among other things, the cost to clean the hallways, doors, wallpaper and other areas impacted by the Project.
2. Compliance Deposits. Depending on the anticipated duration of the Major Unit Improvements Project, and to help ensure substantial compliance with the Construction Guidelines, the General Contractor (or, if the Owner is acting as the Owner's own General Contractor, then, to the extent required by the ARC, the Owner's subcontractors), will be required to pay a refundable Compliance Deposit, as further set forth below.
 - a. Compliance Deposit Amount. in an amount set forth below:
 - i. 1-3 months duration: \$2,000
 - ii. 3-6 months duration: \$4,000
 - iii. 6-9 months duration: \$6,000

If the Project exceeds the anticipated duration, an additional deposit shall be required. Projects of more than 9 months duration are not permitted unless there are unusual circumstances and advance authorization for a longer schedule is obtained from the Board. Projects may not begin prior to payment of Impact Fees and Compliance Deposits, as applicable.

b. Refundability. General Contractors and subcontractors are expected to follow the Construction Guidelines. Their failure to do so may result in partial or complete forfeiture of the otherwise refundable Compliance Deposit. Terrace Falls uses a system of Written Warnings which are issued to the Contractor who paid the Compliance Deposit, with a copy to the Unit Owner, if the Board determines, in its discretion, that significant violations of the Construction Guidelines are occurring. Common Contractor violations include:

- Having left open or propped open any unattended door,
- Having put waste material in Terrace Falls dumpsters or trash containers, or having dumped waste material down Terrace Falls internal drains or storm drains or elsewhere on the Property,
- Having failed to clean up the work-site and impacted Common Areas, or
- Having damaged Terrace Falls property.

While these are the most common Contractor problems we see, significant violations of ANY of the Guidelines can result in Written Warnings. The number of Written Warnings issued on a Project impacts the extent to which the Compliance Deposit is refunded, as follows:

- i. 0 to 1 Written Warnings – no forfeiture of Deposit
- ii. 2 to 3 Written Warnings – 50% forfeited
- iii. 4 or more Written Warnings -- 100% forfeited

At the completion of the Project and if there are violations of these Guidelines, the Contractor who paid the Compliance Deposit will receive an itemized statement of all deductions taken from the Compliance Deposit along with a check for any refund owed.

3. Non-Compliance Fines. Because Owners invite their Contractors to work at Terrace Falls, Owners are responsible for their Contractors' violations of these Construction Guidelines. Owners will be provided with copies of the Written Warnings issued to their Contractors, and Fines will be levied against the Owner based on those Written Warnings.

- E. Improvements Made Outside of the Approval Process.** An Owner who makes, or causes to be made, Unit Improvements outside of the applicable Minor or Major Unit Improvements Approval Process may face fines for non-compliance and/or a demand by the Board to cease, modify or remove any Unit Improvements that would not have been approved had the applicable Approval Process been followed. An Owner receiving such a demand must promptly comply with it, at the Owner's expense, and to the Board's satisfaction.
- F. Coordination of Common Area Use Needs.** Terrace Falls has shared access points, loading/unloading areas, Contractor parking areas, a crane pad and elevators. With proper coordination, the needs of overlapping Improvement Projects, household moves and large item deliveries can be met. The Owner or General Contractor in charge of an Improvements Project is expected to cooperate with the Association and others in the use of these areas, and must schedule use of these Common Areas and Facilities through the ARC, and must promptly notify the ARC of any needed changes in that schedule.
- G. Quality of Work.** All Unit Improvements Work must be done in a good and workmanlike manner in accordance with the then-current building codes of all applicable legal authorities and generally accepted design and construction standards *for commercial buildings of the same Commercial Building Type as Terrace Falls*. Structural, gas, electrical and plumbing work (*heretofore identified as Critical Skills Work*) must be performed by those with an appropriate professional license and appropriate levels of insurance coverage. Other types of work, if any, subject to a specialized licensing requirement will be stated in the Improvements Project Contract for the particular project.
- H. Conformance with Legal Requirements.** All Unit Improvements Work shall be done in compliance with all applicable laws, rules, regulations, orders and ordinances of the Salt Lake City, Salt Lake

County, Utah and United States governments, and any departments or agencies thereof, and no such work shall cause the Common Areas and Facilities or any other Unit to be in violation of any laws, rules, regulations, orders or ordinances.

- I. **Conformance with Construction Guidelines and Contractual Requirements.** All Unit Improvements Work shall be done in conformance with these Unit Improvements Guidelines and the requirements of the applicable Improvements Contract.
- J. **Minimizing Impact on Others.** All Unit Improvements Work must be done as expeditiously as possible and in a way that does not unreasonably interfere with, obstruct or delay: (a) access to or from Common Areas, other Units, parking stalls or parking areas; (b) Improvements Work being done in, on or to any other Unit or in the Common Areas; or (c) the use, enjoyment or occupancy of any other Unit or Common Area. Where an Impact Plan has been approved by the ARC pursuant to Section K below, that Impact Plan shall govern the impact on “Adjacent Owners” as defined therein.
- K. **Entry into Other Units in Connection with Unit Improvements Work.**
 1. **Right of Entry.** When, as determined by the Board in its discretion, there is no reasonable alternative way to access the Common Areas and Facilities in which a Unit’s mechanical, electrical, gas or plumbing systems are located or to which a Unit’s systems are connected, an Owner of a Unit adjacent to the Unit being improved (“Adjacent Owner”) shall permit the Owner making Improvements (“Improvements Owner”) or the Improvements Owner’s authorized representatives, pursuant to the written plan referenced below, to enter the Adjacent Owner’s Unit for the purpose of maintaining, repairing, restoring, replacing or renovating the mechanical, electrical, gas or plumbing systems that service the Improvements Owner’s Unit (the “Impacting Work”). The Improvements Owner’s right of entry carries with it the Improvements Owner’s obligation to restore, within a reasonable time, the Adjacent Owner’s Unit to the condition it was in prior to the Improvement Owner’s entry (the “Restoration Work”).
 2. **Development of an Impact Plan.** The Adjacent Owner and Improvements Owner must work together to establish a written plan (“Impact Plan”) for entering into the Adjacent Owner’s Unit to do the Impacting Work, for doing the Impacting Work, and for doing the Restoration Work. The Impact Plan must be signed by both parties and contain, at a minimum, the following six items:
 1. A detailed description of the Impacting Work;
 2. A detailed description of the Restoration Work;
 3. The anticipated duration and schedule for the work;
 4. The identity of all individuals who will perform the work;
 5. The steps that will be taken to safeguard the Adjacent Owner’s Unit, personal property, and person; and
 6. The notices to be given by and to each party.
 3. **ARC’s Involvement in Impact Plan and Disputes.**
 - a. The completed and agreed upon Impact Plan must be submitted to the ARC and receive the ARC’s approval, which will not unreasonably be withheld, prior to commencement of the Impacting Work.
 - b. In the event the Improvements Owner and Adjacent Owner are unable to reach agreement on the Impact Plan after a reasonable time period (no less than two weeks), the Improvements Owner, with notice to the Adjacent Owner, may submit a draft Plan to the ARC for review and approval.
 - c. The ARC will then review the draft Impact Plan, consult with the Adjacent Owner, and finalize the Impact Plan with the changes and modifications that the ARC deems necessary

to protect each party's interests. The ARC will then provide a copy of the final Impact Plan to both Owners, and that Impact Plan will govern the Impacting Work and the Restoration Work and be binding upon both Owners.

- d. The Improvements Owner and Adjacent Owner must inform the ARC when the Impacting Work and the Restoration Work have been completed to both parties' satisfaction. If disputes arise during the Impacting Work and/or the Restoration Work, the Owners must negotiate in good faith to reach a satisfactory resolution. Should an impasse occur, the ARC will determine what if any re-work will be done and what, if any, Fines for non-compliance will be assessed.

- 4. **Right of Review.** Either Owner dissatisfied with the ARC's final Impact Plan or resolution may request the Board to review the ARC's determination. To the fullest extent permitted by law, the Board's decision will be final and binding upon the parties.

L. Project Duration. A Major Improvements Project may not exceed nine months in duration, unless an exception is granted by the Board. In the Board's sole discretion, Improvements Work occurring before or after an authorized Major Improvements Project may be considered part of that Project, impacting the total duration of the Major Improvements Project and subjecting the Owner to Non-Compliance Fines. Also, in its sole discretion, the Board may require an Owner to delay consecutive or subsequent Improvements Projects due to community impact concerns.

M. Shared Lines and Facilities. Improvements Work must not negatively impact anyone's use of shared sanitary sewer, water, electricity, gas, telephone or communication lines or drainage facilities or vents and/or flues, EXCEPT during short periods of time when, after reasonable notice has been given to the ARC and to all other Owners sharing the Line or Facility, the Shared Lines and Facilities may be disabled in order to perform the Improvements Work.

N. Structure Boundary Arrangement of Units. Any changes to the structure boundary arrangement of Units must comply with applicable building and zoning ordinances. No such change may increase or decrease the present number of 80 residential Units.

O. Liability for Damage and/or Contamination and Lien. All costs incurred by the Association in remedying any damage to or contamination of the Common Areas and Facilities or other Units caused by or in connection with Improvements Work, if not completely covered by the Impact Fees and Compliance Deposits, will be charged to and reimbursed by the Owner and/or the Owner's Contractor or Workers. Such costs, until so paid, shall constitute a lien against the Owner's Unit.

P. General Work Requirements.

- 1. **Access Points for Workers, Materials and Equipment.** All workers, materials and equipment being brought into the Common Areas from the outside or being removed to the outside through the Common Areas shall be brought in or removed only through the fire exit door on the 6th Floor, the 1st, 3rd or 4th Floor Garage doors or the 2nd Floor Elevator lobby at the north end of Guest Parking. The 2nd Floor garage door and the doors of the main East or West Lobbies may be used only in specific instances, with prior approval by the ARC or the Board.
- 2. **Hand Trucks and Carts.** Items too heavy or too awkward to be hand-carried shall be transported on hand trucks or carts with soft rubber tires. Contractors shall not use the carts located in the garages, which are only for Resident use. Hand trucks and carts shall be used without damage to the elevator or the floors, carpets, walls and doors of the building.
- 3. **Cleaning Up.**
 - a. **Cleaning Common Areas.**
 - i. At the end of every work day, the Common Areas impacted by the Improvements Project shall be thoroughly swept, dusted and vacuumed to eliminate all dust and

debris. This includes hallways, stairways and elevators, as well as garage floors and driveways if garage entrances are used.

- ii. If an Owner does not wish the Owner or the Owner's Contractor to be responsible for the daily sweeping, dusting and vacuuming of the Common Areas, the Owner may elect to pay an enhanced Impact Fee that will shift that daily clean-up responsibility to the Association. The nature of this clean-up work and the additional amount of the Impact Fee will be agreed upon in writing prior to the start of the Project.
 - iii. Regardless of payment of an enhanced Impact Fee, however, the Owner and the Owner's Contractor remain responsible for the cleanup of spills of liquid or gels, as follows: (1) when such spills occur on hard surfaces, they must be mopped up/soaked up immediately; (2) when such spills occur on carpeted areas, they must be immediately blotted up and reported to the ARC and/or the building maintenance man. ***The Owner and Contractor must not attempt to wash, scrub or apply cleaning products to the carpet, as further damage may occur.***
 - iv. Regardless of payment of an enhanced Impact Fee, ***the Owner and the Owner's Contractor must not wash, scrub or apply cleaning products to remove marks off wallpaper, as further damage to the wallpaper may occur. Rather, the Owner or Contractor must notify the ARC and/or the building maintenance man immediately of any damage to wallpaper.***
- b. Cleaning Tools and Equipment. Cleaning brushes, buckets and other tools and equipment in the building sinks or drains is forbidden, EXCEPT that Owners (and Contractors with prior approval of the ARC may use a designated Utility Sink for such purposes if the material being cleaned off is of a type safely dischargeable into the sewer system. Under no circumstances should any Owner or Contractor dump or discharge waste liquids or contaminated water into the storm drains or onto lawns, garden areas or any other Terrace Falls property.
4. Damage to and Repair of Common Areas. An Owner or the Owner's Contractor who damages any Common Area carpeting, walls, wallpaper, doors, trim, fixtures or furnishings must immediately report it to the ARC and/or the building maintenance man, *and must not attempt to repair it unless requested to do so by the Board.*
 5. Elevators. Use of elevators for the movement of large materials or equipment must be scheduled in advance with the ARC. The building maintenance man will supply wall and floor coverings for the elevators that the Owner or Contractor must install before movement of materials and equipment begins and must promptly remove when the activity is completed. Wall and floor coverings may not be left in place over the weekend; they must be removed at the end of each work week. The ARC will inspect for damage and debris in the elevators after materials and equipment movement has been completed; the presence of damage and debris may impact the extent to which the Compliance Deposit is refunded.
 6. Floor Protection. Carpeted hallways and tiled floorings must be protected against potential damage, spillage and debris by plastic or cardboard coverings, supplied by the Contractor or Owner. The covering must remain in place from the start to the completion of the Project. If it becomes unusable, or no longer protects the carpet or flooring, or presents a tripping hazard, whether due to rips, folds or otherwise, it must be replaced. "Gorilla tape" or other tape that is so sticky that it leaves residue or does not come off the carpet or flooring afterward must not be used.
 7. Parking.
 - a. Loading/Unloading Materials and Equipment. For brief periods during unloading or loading of materials and/or equipment, construction vehicles may be parked tightly against the west (downhill) side of the 1st, 3rd and 4th Floor driveways, or in a designated Contractor parking

space or other parking spot in the Guest Parking area, such that other vehicles can enter and exit through the garage doors and the Guest Parking area. At no time shall construction vehicles be unloaded or loaded in the main entrance breezeway unless previously approved by the ARC.

- b. Parking Construction Vehicles. Once materials and/or equipment have been unloaded or loaded, construction vehicles must be moved from driveways and general Guest Parking spots UNLESS advanced coordination has taken place with the ARC. Construction Vehicles may be parked in curbside parking spots on the street. Contractor Construction Vehicles may also be parked in designated Contractor parking spaces in the Guest Parking area, or in the assigned garage parking space for the Unit under construction EXCEPT that they must fit completely within that space and must not impede the use of parking spaces for other Units. At no time shall Construction Vehicles be parked in the main entrance breezeway. Violating vehicles may be towed and impounded and future on-site parking privileges may be revoked.
8. Smoke Detector Protection. Covers for the hallway smoke detectors nearest to the Project must be obtained from the maintenance man, installed by the Owner or Contractor, and used during the entire Project. This will reduce the amount of dust that penetrates the sensor and causes false alarms and deteriorates the life of the sensors. The covers must be removed by the Owner or Contractor at the end of the Project.
9. Trash and Waste. Trash, debris or other waste material resulting from the Project shall be hauled away by the Contractor or Owner. It shall not be placed in Association garbage dumpsters or dumped or placed elsewhere on the Association's property.
10. Use of the Shop Equipment. Contractors may not use the Terrace Falls Shop or its equipment.
11. Work Hours. Because Terrace Falls is a structure of 80 residential units, most of which are currently residentially occupied, there shall be no Project-related activity before 8:00 a.m. or after 6:00 p.m.
12. Work Days. No Project-related activity can take place on Sundays or Holidays (New Year's Day, Memorial Day, July 4th, July 24th, Labor Day, Thanksgiving Day, Christmas Eve, Christmas Day, New Year's Eve) without prior approval by the Board.

Q. Design, Materials and Other Construction Requirements.

1. Air Conditioners. Air conditioner condenser units are located on the roof of the building. If these will be replaced, access to the roof must be coordinated with the Terrace Falls maintenance man, and extreme caution must be used to avoid puncturing the roof's membrane. If a puncture accidentally occurs, the Contractor must notify the building's maintenance man or the ARC immediately. The Contractor must transfer the Unit identification tag from the old to the new condenser, and if no identification tag exists, must provide an appropriate tag.
2. Balconies and Patios. Exterior balconies and patios and associated drains must slant sufficiently away from the building to allow proper drainage. Balcony railings and patio walls and fences must be similar in look and style to others in use throughout the Property, and must be approved by the Board and by Salt Lake City, in advance. Terrace Falls is in an historic district and changes to the building's external appearance must not negatively impact the integrity or appearance of the building.
3. Concrete Floor and Ceiling Penetration or Cutting. If the Project involves changes to electrical, plumbing or any other items located in the concrete floor below the Unit or the concrete ceiling above the Unit, the Contractor must use an x-ray to locate cables that are part of the post-tension support system in the floors and ceilings. Work within the concrete floors and ceilings must avoid damaging the cables in any way.

4. Demolition Waste. Removal of demolition waste must be done carefully and conscientiously to minimize contamination of and damage to Common Areas. Waste removal should be consolidated, and closed containers used, whenever possible.
5. Drains and Clean-outs. P-Traps, fittings and entrance points to allow clean-out and jetting must be installed in all kitchen sinks and double sinks as well as toilets that are remodeled/replaced. For double sinks, there must be separate entrances to each drain to allow clean-out.
6. Dust and Debris Control. Wood dust, drywall dust, and other dust and debris from the Project should be kept within the Unit and not blown out windows, up the fireplace flue or into any other pipes/vents. A temporary floor mat will be provided by the ARC to be placed outside the Unit at its entry; it must be used and vacuumed by the Contractor daily to minimize tracking of dust and debris onto the Common Area carpets.
7. Electrical Work. All electrical cabling installed during the course of the Project must be in EMT conduit, flexible metal conduit, or metal-clad armored cable. If existing electrical cabling is exposed during the Project and the wires are not housed in EMT conduit, flexible metal conduit, or in metal-clad armored cabling, the existing cabling must be replaced with cabling that conforms to this standard, even if electrical work was not otherwise being done.
8. Enclosing Exterior Spaces. Exterior balconies, doors, railings and windows may be enclosed and, once enclosed, internal brick surfaces may be covered. The appearance of the new exterior windows and/or door frames (color, size, shape, location, configuration and mullion and transom dimensions) must be in keeping with the overall look of the building; and, given the building integrity, appearance and historical district concerns mentioned above, must be approved in advance by the Board and by Salt Lake City.
9. Exterior Doors and Windows. Any change in the size, shape, location, configuration and mullion and transom dimensions of an exterior door or window must be in keeping with the overall look of the building and, as above, must be approved in advance by the Board and by Salt Lake City. All new exterior windows and doors must be bronze in finish and all glass must be clear, not tinted.
10. Fireplaces. Fireplaces may be removed or added, but must be properly vented. If fireplaces or flues are replaced, the exterior flue must be re-sealed on the roof.
11. Footprint. The construction project must stay within the current structural footprint unless a change to the footprint was previously approved by Salt Lake City and the Board.
12. Fumes. Those cleaning solvents, paint, lacquers and other liquids or materials that emit pungent or hazardous fumes shall not be used. Proper venting, to minimize odors, is required.
13. Plumbing Pipes. Plumbing may be moved or re-routed as long as the reconfigured plumbing properly connects into the building plumbing system, contains no horizontal or slow-draining sections or obstructions, and does not adversely impact the plumbing or structural integrity of other Units or Common Areas and Facilities. If Improvements Work involves opening ceilings, walls or other areas where cast iron pipes are exposed, they must be replaced with new pipes, even if plumbing work was not otherwise being done. If those pipes are part of the Common Areas and Facilities (shared pipes), the Association will pay for their replacement. Replacement of pipes that belong to a single Unit must be paid for by the Owner of that Unit.
14. Toilets. Turbo-flow (noisy) toilets are not allowed.
15. Unit Entryways. The color, design and general appearance of the exterior of the Unit's entry doors and the exterior hardware thereon must remain the same as all other Unit entry doors.
16. Vent Pipes. If new vent pipes are needed that penetrate the roof or other Common Area surfaces of the building, they must be specifically called out in the plans, or otherwise approved in advance, and must be installed in a manner so that the opening around the vent pipe is completely sealed to prevent leaks.

17. Walls and Studs. Non-load bearing internal walls may be removed, relocated or created. To minimize fire hazards, all studs must be metal, not wood.
18. Water Heaters. If a water heater is more than 10 years old, it must be replaced. When doing so, a drip pan must be placed underneath the new water heater, a pipe from the water heater must completely extend to the floor drain and earthquake straps must be installed around the new water heater. A pressure relief valve must also be installed. The utility room floor must be properly pitched toward the drain and there must be a four inch impervious base board up the wall of the utility room to prevent leaks into other Units or Common Areas.
19. Water Softeners. Water softeners are permitted, but must be equipped with standard earthquake and leak prevention devices. Keep in mind that the salt in water softeners will corrode pipes if the water softener is full and sits idle for even a few weeks during a Project or thereafter. Make sure the water softener is kept operational, or is emptied and flushed if it is not in use.

R. Additional Limits on Contractor Activities.

1. Work Location. Cutting, crafting or assembling materials on Terrace Falls property must be done inside the Unit, unless advance approval has been given by the ARC to work outside of the Unit in a designated Contractor work space. Any such approval carries with it the Contractor's obligation to thoroughly clean the work space at the conclusion of each work day.
2. Restrooms. Owners should maintain a restroom in the Unit for Contractor use during the project. Contractors may not use any Terrace Falls restrooms in the building's Common Areas, unless advance approval to do so has been given by the ARC.
3. Smoking and Vaping. Smoking or vaping anywhere on Terrace Falls property is prohibited. Use of chewing tobacco is prohibited in all Common Areas and Facilities.

S. Security Requirements.

1. Garage Control Units/Fobs/Entrance Cards. An Owner must not give the Owner's personal garage control units, fobs or entrance cards to the Owner's Contractor. Rather, after the required Impact Fee and Compliance Deposit are paid, garage control units, fobs and entrance cards for the Contractor will be issued by the Association's Security Committee and will be limited to specific days, specific times and specific doors; they must be returned upon completion of the project. The Contractor must not duplicate, or permit the unauthorized use of, these access materials. Access Key Deposits, in an amount of \$25 for each fob and entrance card, and \$50 for each garage control unit, will be required and will be refunded when the garage control unit/fob/card is returned to the Security Committee in good condition. The Owner should make arrangements for garage control units/fobs/cards with the Security Committee at least 3 days in advance of the start of the construction project.
2. Unattended Open Entries. Open entrance doors and garage doors shall not be left unattended. Terrace Falls' garage doors have light beams, not pressure sensors, to trigger their reopening. Ensure that the door is completely closed before leaving it unattended, and do not place any item in the path of a closing garage door.

T. Meetings, Inspections and Non-Compliance Notifications. During the Improvements Project the Owner, the Owner's Contractor and the ARC shall meet regularly to discuss the Project Schedule, concerns and needs. *In connection with those meetings and/or at other times, the ARC and/or the Board may inspect the Improvements Work for compliance with these Construction Guidelines. Owners and Contractors are expected to cooperate with the ARC's and the Board's requests for information and access, to utilize their best efforts to promptly advise the ARC and/or the Board of concerns and to correct any non-compliant situations brought to their attention.* Repeated non-compliance will impact the refundability of the Compliance Deposit, as set forth in paragraph D.2.b above.

- U. Stop Work.** If the Board, after consulting with the ARC, believes in good faith that the Contractor is engaging or has engaged in ongoing or repeated violations of the Construction Guidelines, the Board may temporarily stop the Contractor's on-site work by deactivating all garage control units/fobs/entrance cards issued to him and denying him access to Terrace Falls for up to ten working days at a time, per violation. In the most severe circumstances, where the Contractor's violations are material and the Board, after consulting with the ARC, believes in good faith that the Contractor's violations are also willful, reckless or malicious, the Board may permanently deny the Contractor's access to the Property. If the Board temporarily or permanently stops the Contractor's work, the Owner may not circumvent the Board's determination and permit the Contractor access to the property to work on-site during the stop-work period.
- V. Completion of the Project.** A Project-Completion Meeting will take place when the Owner and the ARC agree the Project is finished. If the Project has caused any damage to the Common Areas or other Units it will be noted during this meeting and a plan will be made to remedy the damage. The Compliance Deposit will not be refunded in whole or in part until all known damage resulting from the Project has been fully addressed.
- W. Liability for Damage and/or Contamination and Lien.** If the Association incurs costs to remedy damage to and/or contamination of the Common Areas and Facilities or other Units caused by or in connection with an Owner's Improvements Project, the amount by which those costs exceed the amounts of the Impact Fee and Compliance Deposit paid in connection with that Improvements Work will be charged to and must be reimbursed by the Owner and the Owner's General Contractor (or, if no General Contractor is used, then the Owner's individual Contractors), jointly and severally. Reimbursement by the Owner shall be handled as an Individual Assessment, as further set forth in Association Bylaws. Reimbursement by the Contractor shall occur promptly upon demand by the Association. All demands for reimbursement shall include a detailed accounting of the costs incurred. Such costs, until reimbursed, shall constitute a lien against the Owner's Unit.
- X. Fines for Non-Compliance.** Violations of any of the provisions of these Construction Guidelines by the Owner and/or the Owner's Contractor may result in the Association imposing Non-Compliance Fines against the Owner in accordance with Association Bylaws and Association Rules and Regulations.
- Y. Cumulative Remedies.** The remedies set forth in these Guidelines, in the Association's Governing Documents and in any applicable contract are cumulative, meaning that the Association's use of one remedy does not preclude its use of any other remedy.