



## **CONTRACTOR RULES AND REGULATIONS**

### **AUTHORITY**

WHEREAS, The Second Amended and Restated Declaration of Covenants, Conditions and Restrictions of Somerset (the CC&R's) was duly made and recorded on March 3, 2005 as Document No. 3177981 of the official records of Washoe County, Nevada and

WHEREAS, said document provides that the Somerset Aesthetic Guideline Committee ("Committee") may establish written rules and regulations of general application governing the procedures and standards for construction within the Planned Unit Development (PUD) in its sole discretion.

NOW THEREFORE, the Committee has adopted these regulations pursuant to Article VI, Section 7 of the Second Amended and Restated Declaration of Covenants, Conditions and Restrictions of Somerset ("Declaration").

### **OBJECTIVE**

In order to ensure that the natural landscape of each lot is preserved and the nuances inherent to any construction process are kept to a minimum, the following regulations will be enforced during the construction period of all improvements (e.g. structures erected, altered, renovated, remodeled, placed or assembled, including garages, walks, fences, dog runs, landscaping, ditches and walls) at Somerset.

Any violation of these regulations by an owner's agent, representative, builder, contractor or subcontractor will be treated as a violation by the owner. Any person violating these regulations may temporarily or permanently be prohibited from participating in construction activities within Somerset by the Somerset Aesthetic Guideline Committee.

### **OPERATION**

All property owners within the Somerset PUD shall, as a condition precedent to obtaining approval of plans, execute an agreement, which shall require compliance with these regulations and a copy of the Contractor Rules and Regulations shall be attached as an exhibit to the agreement. All agreements shall be signed by the owners' contractors evidencing notice of the document and agreement to comply with its terms. All owners of property within the Somerset PUD who are constructing improvements in accordance with approved plans shall follow approved plans without deviation, unless changes are approved in writing by the Committee.

### **BUILDING ENVELOPE**

On custom lots, and other lots which are not mass graded for production homebuilding, the building envelope, which is the limit of development on each lot, is also the area within which all activities related to the improvements to be constructed must be confined. To this end, the building envelope must be temporarily fenced and staked, roped or flagged during all construction. Temporary staking enclosing the building envelope must terminate at the property line adjacent to the entrance drive. No storage of materials, parking or other ground disturbing activities on the lot shall occur outside the building envelope.

### **COMPLIANCE DEPOSIT**

To assure the owner's and contractor's compliance with these regulations and their agreement to build all structures, landscaping, and other improvements in complete conformance with approved plans, the owner shall deliver to the Committee a Compliance Deposit based upon the Guideline Application Fees. This deposit must be delivered prior to approval of plans and will be held until the final release as outlined in the Design Guidelines. If the owner or contractor fails to comply in any way with these Construction Rules and Regulations, the CC&R's, the Design

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Guidelines, or with approved plans, then the funds held in the Compliance Deposit may be used to pay penalties assessed, the costs of damages, compliance or correction of such failure. Any funds remaining in the deposit after the final release has been issued will be promptly returned. No interest shall be due on the deposit. If charges imposed by the Committee exceed the amount of the deposit, the owner and contractor shall be liable for the excess, and said excess may be charged against the owner's site as a special assessment pursuant to the CC&R's.

### **COMPLIANCE NOTIFICATION**

The Committee upon discovering a violation of the Construction Rules and Regulations shall provide a written notice of noncompliance to the owner, including a reasonable time limit within which to correct the violation, unless the violation poses an imminent threat to health or safety.

### **FAILURE TO COMPLY**

If upon receipt of a noncompliance notification the owner or contractor fail to remedy such noncompliance within the designated time period given by the Committee, the Committee may in its discretion issue a \$250.00 penalty, refer the violation to the Board for further action or issue a stop work notice. Said expense shall be the responsibility of the owner and may be charged back against the Compliance Deposit and/or to the owner as a special assessment, secured by a lien upon the site enforceable in accordance with the CC&R's. If the owner appeals the matter to the Board, the committee shall notify the Board in writing of the nature of the failure to comply with the regulations.

The Board then shall set a date on which a hearing before the Board shall be held regarding the alleged noncompliance. The hearing date shall be not more than thirty (30) days not less than fifteen (15) days after the date on which the owner appeals the notice of noncompliance to the Board. The Board shall give notice of the hearing date at least ten (10) days in advance thereof to the owner, the Committee and, at the discretion of the Board, to any other interested party. The owner has the right to be heard at the Board Hearing. The Board however shall not render a decision in the presence of the owner but shall notify in writing not more than seven (7) days later of decision.

### **PENALTY FOR VIOLATING CONTRACTOR RULES**

Each time the Committee writes a notice of violation for noncompliance of a construction rule, that notice shall constitute a separate violation. If the violation is not cured within the time period as may be established by the Committee pursuant to its notice of violation, the violation shall be deemed a continuing violation. Thereafter, additional fines may be imposed for the violation for each 7-day period of permitted construction activity or portion thereof that the violation is not cured. The Aesthetic Guideline Committee's failure to enforce the Restrictions does not waive the right to enforce the same thereafter.

### **EXCESSIVE VIOLATIONS**

Unless excused by the Committee, any contractor who has more than four (4) violation notices in any twelve (12) consecutive month period may be prohibited from working as a contractor on any new job within the Somerset PUD for a period of one (1) year after completion of the job on which that contractor is working at the time he receives the fifth violation notice, and any agreement containing the name of such contractor during such period may not be accepted or approved by the Committee.

### **ADDITIONAL FINES AND COSTS**

Any violation of these Contractor Rules and Regulations, CC&R's or the Design Guidelines constitutes a violation of the CC&R's. In addition to the remedies for violation as set forth in this document and the Aesthetic guidelines, the Board has the power and authority to institute arbitration, legal or other appropriate proceedings to enjoin or otherwise prevent a violation, and the Committee may recommend fines for levy by the Board. All costs of dispute resolution, including attorney's fees, shall be charged to and paid by the owner if the Association prevails.

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## **CONSERVATION OF NATIVE LANDSCAPE**

Trees which are to be preserved whenever possible must be marked and protected by flagging, fencing or barriers. The Committee shall also have the right to flag or require the flagging of major terrain features or plants which are to be fenced for protection. Any trees or branches removed during construction must be promptly cleaned up and removed from the construction site.

## **CONSTRUCTION ACCESS**

The approved access route must be contained within the lot under construction. Construction access cannot be across other property owner lots or via the common area.

## **CONSTRUCTION HOURS**

Construction hours including materials delivery are Monday through Friday 7:00 a.m. to 7:00 p.m. and Saturday 8:00 a.m. to 6:00 p.m. only, unless expressly approved otherwise by the Committee.

## **CONSTRUCTION TRAILERS**

Upon commencement of construction, a construction trailer or portable field office may be allowed on the building site clear of all setbacks. The Committee must approve the type, size, color and landscape (if any) of any trailer or portable office. The temporary structure may not be placed on-site earlier than two-weeks prior to the actual commencement of continuous construction activity. A construction structure may not remain on site for a period of time exceeding six months without the written approval of the Committee.

Except for the temporary loading and unloading of heavy equipment, there shall be no equipment trailers on any construction site, unless first approved in writing by the Committee. Any equipment trailers otherwise allowed by the Committee must be well maintained and must be parked on the construction site in a location approved by the Committee.

## **CONTROLLED SUBSTANCES**

Consumption or possession of any controlled substance or alcoholic beverages by construction crew personnel on any construction site or common area within Somerset is prohibited.

## **DUST CONTROL**

The contractor shall be responsible for controlling dust from the construction site, including immediate removal of dirt and mud from public or private roads that is the result of construction activity on the site, and compliance with all federal, state and local air emissions requirements. The Committee shall approve dust control measures.

## **EPA COMPLIANCE**

Federal EPA regulations forbid any type of building materials, including but not limited to rock and dirt, to be put in the street. All materials must be stored on the home site owner's property at all times. Failure to comply may result in thousands of dollars in fines imposed by the Environmental Protection Agency. Ultimately the property owner and the contractor are responsible for obtaining the EPA regulations and adhering to them.

## **EXCAVATION MATERIALS AND BLASTING**

If any blasting is to occur, the Committee must be notified one week in advance and must approve the method, manner, time and procedure of the blasting activity. Also, appropriate approvals must be obtained from governmental authorities. Blasting may only be done by a Nevada Licensed demolition person, with all requisite insurance coverage as mandated by county and state statutes. The Committee shall have the authority to require written documentation of anticipated seismic effects, with confirmation such effects will not be injurious to other persons or properties, public or private, and that all appropriate protection measures will be utilized.

All excess materials resulting from blasting, as well as all other excess excavation materials, must be promptly removed from Somerset. All excess fill material shall be removed from the site prior to obtaining certificate of occupancy.

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## **CONSTRUCTION FENCING**

Construction sites shall be fenced off to Committee specifications (construction fencing) in order to discourage destruction and littering of native vegetation and neighboring property. Any required fencing shall be completed prior to the commencement of any construction and shall be strictly maintained during all phases of construction. If the construction fence is not in place prior to the commencement of construction, the Committee may install the appropriate fence and may issue a fine.

Construction fencing is generally defined as green, orange or brown 4ft. plastic safety fencing around the perimeter of the lot; however the Committee shall proscribe the nature, type and extent of construction fencing in its sole discretion. The preferred construction fence is a green diamond link fence made from extruded polypropylene. Encroachment on adjoining lots is prohibited unless written authorization is obtained from the property owner and submitted to the AGC.

## **FIREARMS**

Possession of firearms or other weapons by construction crew personnel within the Somerset PUD is prohibited.

## **FIRES AND FLAMMABLE MATERIALS**

Careless disposition of cigarettes and other flammable materials, as well as the buildup of potentially flammable materials constituting a fire hazard, is prohibited. At least two 20-pound ABC-rated dry chemical fire extinguishers shall be present and available in a conspicuous place on the construction site at all times. No on-site fires are allowed, except for small contained, attended fires for the purposes of heating masonry.

## **INDEMNIFICATION**

All contractors and the site owner shall be responsible for damage or liability claims of all kinds and type caused by employees, subcontractors, suppliers, and other agents of contractors and site owners. All contractors and site owners agree to indemnify, defend and hold harmless the Committee, Somerset Development Company Ltd., and Somerset Owners Association, their employees, agents and representatives from any damage or claim of liability caused by contractors or site owners.

## **INSURANCE REQUIREMENTS**

All contractors and subcontractors must deliver evidence of insurance prior to entering the construction premises. Confirmation shall be evidenced in the form of a valid certificate of insurance naming both the lot owner and Somerset Owners Association as insured. The required insurance must provide coverage relating to comprehensive general liability, automobile liability and workmen's compensation. The minimum limits of liability shall not be less than \$300,000.00 each for general liability and automobile liability. General liability coverage shall contain provisions for contractual liability and broad form property damage. The certificate shall provide for a 30-day notice to the insured in the event of cancellation or material change in the limits of coverage.

## **LANDSCAPING**

All existing trees, rock outcroppings and other significant natural features will be preserved as much as possible and enhanced by judicious limbing, trimming and cleaning. Native grasses, trees and shrubs will be added. Introduction of non-compatible plant and tree species is prohibited.

No tree over 6" in diameter (measured 4' above natural ground level) may be removed without the approval of the Committee. During construction, tagging of trees that are to remain and temporary fencing should be used to assure that no grading takes place within the drip line of trees to be preserved. Exposing roots or filling over roots shall be avoided whenever possible.

Significant rock outcroppings are a unique feature of the land at Somerset. They should be carefully preserved and featured in all planning for structures and landscaping. During construction, special care must be taken to avoid damage to these rock elements and the lichens growing on their surfaces.

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All landscaping work must be completed within 90 days of receipt of a Certificate of Occupancy for the residence. Extensions may be granted by the Committee for weather conditions, which prevent or impair installation of plant materials or other landscaping improvements.

### **MATERIAL DELIVERIES**

All building materials, equipment and machinery required to construct a residence on any lot at Somerset must be delivered to and remain within the building envelope of each lot, clear of all setbacks. This includes earth-moving equipment, trailers, generators, and mixers, cranes and other equipment or machinery that will remain at Somerset overnight. No vehicles or equipment may be driven across adjacent lots or tracts to access a construction site. All construction materials (including excavation material) shall be neatly and properly stored on the construction site. No construction material may be stored on adjoining property or in the street.

### **NOISE CONTROL**

There shall be no excessive noise on the site and volumes of radios or other audio equipment shall be kept low so as not to bother neighboring property owners. Appropriate volumes shall be determined at the sole discretion of the Committee.

### **NUISANCES**

No use of any lot or structure subject to the CC&R's shall annoy or adversely affect the use value, occupation, and enjoyment of any adjoining lot or of residences in the PUD. No noxious, offensive or disturbing activity of any kind shall be permitted.

### **OSHA CODE REQUIREMENTS**

All applicable Reno City Code and Occupational Safety and Health Act (OSHA) regulations and guidelines must be observed at all times.

### **PETS**

Construction crews may bring pets onto the property only if they are contained in the work area or until such a time they are deemed a nuisance by the Committee.

### **PRESERVATION OF PROPERTY**

The use of or transit over any other lot, common area or land, including the golf course, is prohibited. The use of or transit over the native area or setbacks outside the building envelope of any lot is prohibited. Construction personnel are prohibited from parking, eating or depositing rubbish or scrap materials on any neighboring lot, common area, right-of-way or other property.

### **RESTORATION OF PROPERTY**

Upon completion of construction, each owner and contractor shall clean the construction site and repair all property which has been damaged, including but not limited to, restoring grades, planting shrubs and trees as approved or required by the Committee, and repair of streets, driveways, pathways, drains, culverts, ditches, signs, lighting, fencing and irrigation. In addition, the owner and contractor shall be held financially responsible for site restorations re-vegetation and refuse removal necessitated on any properties as a result of trespass or other conduct by employees, subcontractors or agents.

### **SANITARY FACILITIES**

Each owner or contractor shall be responsible for providing adequate sanitary facilities for construction workers. Portable toilets must be located within the building envelope, clear of all setbacks, and kept in good condition.

### **SIGNAGE**

Individual signs identifying contractors, tradesmen, or suppliers are prohibited unless approved by the Committee. Identification of licensed tradesmen, when required by state or county statutes shall be confined to the posting location of the building permit. Attachment of signs or similar material to trees is prohibited. All signs during

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construction shall first be approved by the Committee and shall conform to the standards as required by the Committee and the Master Association Sign Guidelines.

Unauthorized signs may be removed by the Association from the premises where displayed. Removed signs will be held for fourteen days in the administrative office of the Association to be claimed by the owner or contractor, after which time period they may be destroyed.

### **SITE VISITATIONS**

Due to the inherent danger associated with an active construction site, visitors to any site shall be limited to those persons with official business relating to the construction activity, such as construction workers and tradesmen, building officials, security staff, Committee observers, sales personnel, and the owner. Construction personnel shall not invite or bring family members, friends or children to the job site.

### **TRASH RECEPTACLES AND DEBRIS REMOVAL**

Owners and contractors shall clean up all trash and debris at the end of each day. An approved trash receptacle must remain on the site at all times after commencement of construction for this purpose to contain all lightweight materials or packaging. The receptacle must be positioned on the site alongside the access drive, clear of side and rear setbacks, adjacent road right-of-ways and neighboring properties. Trash receptacles must be emptied on a timely basis and/or covered to avoid overflow and/or blowing of refuse. Disposal shall be at a suitable off-site facility. Owners and contractors are prohibited from dumping, burying, or burning trash anywhere on the site or elsewhere in Somerset. Heavy debris, such as broken stone, wood scrap, and the like, must be removed from the site immediately upon completion of the work of each trade that has generated the debris. All concrete washouts from both trucks and mixers must occur within the building envelope of the lot in a location where it will be ultimately concealed by a structure or covered by backfill. Washout in road right-of-ways, setbacks, or on adjacent properties is prohibited.

During the construction period, each construction site shall be kept neat and shall be properly policed to prevent it from becoming a public eyesore or detriment to other lots or open space. Any clean-up costs incurred by the Committee or the Association in enforcing these requirements shall be payable by the owner. The Committee may use the Deposit to pay any costs it may incur in this connection.

### **VEHICLES AND PARKING AREAS**

All vehicles shall be parked within the building envelope, unless during very busy construction periods involving multiple trades. If all construction vehicles cannot be confined to the site as required, the overflow vehicles may be temporarily parked along the street next to the lot. During these limited occurrences, vehicles must allow continual unconstrained access by normal traffic and emergency vehicles, including fire trucks. Changing oil or other vehicle maintenance anywhere in Somerset is prohibited. If any concrete, dirt, debris, or spillage from concrete trucks or other construction trucks occurs on the streets or other common area within Somerset, the owner and contractor shall be responsible for discovering it and cleaning it up on the day on which it occurs. All job related vehicles entering the Somerset area must be reasonably maintained and not leak any liquids that may be considered hazardous. Contractors and subcontractors must comply with all speed limits in the development. Erratic or careless driving is prohibited. Storage of unlicensed or inoperable vehicles is prohibited; such vehicles are subject to immediate towing at owner cost.

### **CHIMNEYS/FLASHING/TRIM**

Due to fire danger present in this region, all chimneys must be equipped with UL or ICB0 approved spark arrestors, including outdoor fireplaces. Open outdoor wood burning fire pits are prohibited. Gas fire pits are authorized but must be submitted and approved by the AGC. An architecturally designed chimney cap must be installed by the owner on all chimneys to cover exposed metal spark arrestors. Both chimney cap and spark arrestor must be painted to harmonize with the rest of the house. All exposed metal flashing and trim and all exposed chimney metal, drains, etc., shall be painted to harmonize with the house.