

**Coronado Shores Condominium Association #8, El Encanto Tower
Revised July 22, 2019**

**Rules and Regulations
for Homeowner Unit Modifications, Alterations, and Repairs**

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Changes made July 22, 2016 are on the following pages and sections:

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|---------|---------------|--------------------------------------|
| Page 2 | item 1(f) | new CC&R section number |
| Page 3 | item 5 | new elevator use fee \$750 |
| Page 3 | added item 8 | definition of when a remodel is done |
| Page 4 | item 2 | new CC&R section number |
| Page 5 | item 7 | \$500 per day fine for Summer Work |
| Page 6 | item 5 | new elevator use fee \$750 |
| Page 10 | added item 10 | location for laundry shut-off valve |
| Page 10 | added item 11 | Wet bar drain use restriction |
| Page 13 | item 19 | new glass panels to be equidistant |
| Page 16 | items 5 and 7 | extend remodel timeframe to 150 days |
| Page 19 | item 16 | elevator use restrictions |
| Page 20 | item (i) | reduce fine to \$100 |

SUMMARY

Notice of Requirements for Approval of Physical Changes to Property

The Association has adopted Rules and Regulations for homeowner unit modifications, alterations, and repairs. This document is available from the Manager and is posted on the web site (www.coronadoshores.org).

Section 1378 of the California Civil Code requires the Association to provide an annual notice of the types of changes that require Association approval and the procedures to review and approve or disapprove a proposed change.

1. The Rules and Regulations apply to
 - a) any changes which will affect the structure of the building or the appurtenant easements which are a part thereof,
 - b) any changes, (including windows), which will affect the appearance of the building either internally or externally,
 - c) changes which will affect the potential occupancy level of the Unit,
 - d) changes which may affect the transmission of sound to other Units,
 - e) changes which may affect the common electrical, plumbing, ventilation, TV reception or any other systems of the building,
 - f) any change of any portion of the Restricted Common Area and Facilities to which an Owner acquires a lease or a license under Section 3.3 of the CC&Rs and
 - g) any change which requires a building permit from the City of Coronado.
2. Specific examples of changes requiring approval include, but are not limited to the following: demolition or removal of, and/or structural modification to the interior of a Unit, including but not limited to movement, relocation, construction, or removal of Unit walls, windows, floors, bathrooms, bathroom facilities, kitchen, kitchen facilities, balconies, balcony enclosures, installation or re-surfacing of unit flooring, or any other room or fixture other than wall coverings, painting and placement and replacement of carpets.
3. No remodeling of a unit within the Association may be commenced unless it has been previously approved as provided in the ARC Rules. Applications for approval of remodeling to a unit must be made in writing by the owner and be delivered to the Manager's Office.
4. The written application must contain a narrative description of the remodeling setting forth in detail as a representation of the remodeling to be done: (i) the nature of the work to be performed, (ii) the time frame in which the work is to be performed, (iii) the extent of any construction which may adversely impact other property owners, and (iv) the time and days of the week during which heavy construction will occur. The application must also contain diagrams or other drawings showing the location and extent of the proposed remodeling.

5. All applications for approval for remodeling shall be valid only if accompanied by a \$500.00 refundable deposit to be held by the Association to secure cleaning or repairs of common areas made necessary by the proposed remodel, but not necessarily limiting liability to that amount, and a \$750.00 non-refundable elevator use fee. If there are balcony and window modifications or if the remodeling involves a cost for work and materials of more than \$10,000, there is a non-refundable fee of \$500 payable to the Association to cover professional fees and other expenses incurred by the Association. The non-refundable fee is for Association review of plans and supporting documentation for balcony enclosures and any window modifications.
6. Not more than thirty (30) days after receipt of a written application for approval to remodel a Unit, the Association Manager shall notify the Owner in writing of the decision of the Association Board of Directors on the application for permission to remodel. This date may be postponed if necessary and Owner will be advised, in writing, of the need for postponement and the time frame by which a decision will be provided. Denial of an application will be made in writing and will include the reasons for denial and the procedure which the Owner may utilize for reconsideration of the decision by the Board.
7. Any challenge of a decision to disapprove a proposed change must be made in writing by the applicant and delivered to the Board of Directors, with a copy to the Building Manager, within thirty (30) days after the determination. Within sixty (60) days after receipt of a written appeal, the Board of Directors shall reconsider the specific issues on appeal. Within fifteen (15) days after receipt of an appeal, the Building Manager shall notify the applicant of the date, time and place of the Board of Directors meeting at which the challenge will be considered.
8. A “remodel” is considered completed when all details specific to the approved work are completed and no other work remains except moving the furniture back in. At this point the contractor will not be allowed back into the building or issued a key to the unit. “Finish” or “Punch List” work, like any other portion of the remodel effort, must be done prior to the May 31st stop date for unit modifications (See page 18, item 3).

Specifically this means the construction of new walls, electrical features, plumbing, soffits, etc. is done. The installation of window treatments (if any), plumbing fixtures, and cabinetry is done., All new stoves, ovens, washers, dryers, refrigerators, freezers, wine cellars, etc.(i.e. large appliances) are installed. All painting is done. All electrical outlets with cover plates and A/C venting are in place and operating.

Section I. Background and Objectives

1. In accordance with the CC&Rs, the Articles of Incorporation, and the Bylaws of the Association, the Board of Directors has established the following Rules and Regulations for the remodeling of individual Units. These Rules and Regulations supersede and replace in their entirety all previous Rules and Regulations, including all supplements, amendments and additions. The prime motives of your Board in establishing these Rules and Regulations have been to treat all homeowners fairly, to protect the property values of all homeowners, and to provide for the safety and comfort of all residents.
2. These Rules and Regulations shall specifically apply to (1) any changes which will affect the structure of the building or the appurtenant easements which are a part thereof, (2) any changes, (including windows), which will affect the appearance of the building either internally or externally, (3) changes which will affect the potential occupancy level of the Unit, (4) changes which may affect the transmission of sound to other Units, (5) changes which may affect the common electrical, plumbing, ventilation, TV reception or any other systems of the building, (6) any change of any portion of the Restricted Common Area and Facilities to which an Owner acquires a lease or a license under Section 3.3 of the CC&Rs and (7) any change which requires a building permit from the City of Coronado.
3. The term "unit" is defined as a condominium residential unit located in Coronado Shores in the building known as El Encanto Tower, 1810 Avenida Del Mundo, Coronado, California. 92118.
4. The terms "Owner" and "Homeowner" shall mean a person or entity holding title at the time to a unit according to the records of the Association. If title is held by more than one person or entity, the Association is entitled to rely upon the acts and agreements of any of these and such acts and agreements shall also bind all other persons and entities claiming an interest in the Unit unless the Association receives prior written notice of disapproval by such other persons or entities. As used in these Rules and Regulations (specifically, but without being limited to the provisions of Section IV entitled "Balcony and Window Modifications") the term "Owner" and "Homeowner" shall mean the then persons or entities in ownership of the Unit.
5. The term "remodel" or "remodeling" or "remodeled" is defined as follows: Any of the changes referenced in Paragraph 2 above and more specifically: demolition or removal of, and/or structural modification to the interior of a Unit, including but not limited to movement, relocation, construction, or removal of Unit walls, windows, floors, bathrooms, bathroom facilities, kitchen, kitchen facilities, balconies, balcony enclosures, installation or re-surfacing of unit flooring, or any other room or fixture other than wall coverings, painting and placement and replacement of carpets.

6. The Board of Directors reserves the right to limit the number of concurrent remodeling projects in progress to six (6) to ensure homeowner access to the building and elevators. Accordingly, projects must be scheduled in advance with the Manager.
7. The Board of Directors has determined that remodeling during June, July, August and until the 15th day of September is unduly disruptive because of the demands it places on elevators, building entrances and utilities at a time when experience shows that the elevators and the garage and parking spaces around the building are in greater demand for the larger number of occupants in the building, the parking spaces open to the public are in high demand for the use of summertime beachgoers and there are greater demands from summertime occupants of El Encanto Tower and the other Coronado Shores buildings including tenants who are not familiar with the building and its regulations and take greater time of the Manager, the Engineer and other building employees.

No remodeling will be approved to take place between June 1 and September 15 (sometimes referred to as “the Summer Period”); provided that the Board may in its discretion permit work already commenced on one or more Units to continue during the Summer Period or such portion thereof as the Board specifies, if the Board determines in its judgment that the work on such Units during the Summer Season or portion thereof (a) will not need monitoring by the Building Manager, Engineer or other employees on other than a minimal basis, (b) will cause minimal use of and will not involve the need to hold any elevator out of service for any period of time, (c) will not involve construction noise, debris, or disruption affecting neighboring and other Units in the building, and (d) will not involve the use of parking spaces around the building by workers, suppliers or others involved in performing such work (such work so permitted by the Board being referred to herein as the “Permitted Summer Work”). The Board may invoke a \$500 per workday fine for any approved “Permitted Summer Work”.

Section II. Application and Approval Process

1. No remodeling of a unit in El Encanto Tower may be commenced unless it has been previously approved as provided herein. Applications for approval of remodeling to a unit within El Encanto Tower must be made in writing by the owner and be delivered to the Building Manager's Office.
2. Verbal applications made to the Building Manager, any individual member of the Board of Directors, or at a Board of Directors meeting or otherwise are not valid and will not be considered. Written permission must be received from the Association before anyone may proceed with any unit remodeling.
3. The written application must contain a narrative description of the remodeling setting forth in detail as a representation of the remodeling to be done: (i) the nature of the work to be performed, (ii) the time frame in which the work is to be performed, (iii) the extent of any construction which may adversely impact other property owners, and (iv) the time and days of the week during which heavy construction will occur. The application must also contain diagrams or other drawings showing the location and extent of the proposed remodeling.
4. All applications will be received initially by the Manager (which will mean the Assistant Manager if the Manager is unavailable or the Manager directs) who in consultation with the Building Engineer will prepare a recommendation to the Board of Directors. If the Board of Directors so requests, the application and Manager recommendation will be submitted to such committee as the Board shall select for evaluation and comment before submission to the Board of Directors for approval.
5. All applications for approval for remodeling shall be valid only if accompanied by a \$500.00 refundable deposit to be held by the Association to secure cleaning or repairs of common areas made necessary by the proposed remodel, but not necessarily limiting liability to that amount, and a \$750.00 non-refundable elevator use fee. If there are balcony and window modifications or if the remodeling involves a cost for work and materials of more than \$10,000, there is a non-refundable fee payable to the Association. The non-refundable fee is initially set at \$500, but the amount may be increased or decreased by the Board of Directors from time to time, but in each case any such changed fee shall apply only to applications which have not yet been approved. While the fees described above are a reasonable attempt to estimate the costs to be incurred by the Association, in the event the actual costs incurred by the Association in connection with all matters relating to the application and the work are less than the amounts which the Owner has paid as provided above, the Association, at its discretion may, or upon demand from the Owner within six months after the work is completed as evidenced in records maintained by the City shall, refund within 30 days after demand any excess to the Owner, without interest. If such costs are greater, the Association shall be entitled to recover such excess upon submitting to the Owner an itemized statement of its costs.

While the fees described above are a reasonable attempt to estimate the costs to be incurred by the Association, in the event the actual costs incurred by the Association in connection with matters relating to the application and the work are less than the amounts which the Owner has paid as provided above, the Association at its discretion may, or upon demand from the Owner within six months after the work is completed as evidenced in records maintained by the City, shall refund with 30 days after the demand any excess the Owner, without interest. If such costs are greater, the Association shall be entitled to recover such excess upon submitting to the Owner an itemized statement of its costs.

6. Automatically by its application the Owner applying to remodel agrees to indemnify and hold harmless the Association, the Board of Directors, the Manager and the Engineer and the Association's other employees for any liability caused by the work of remodeling including and without limitation, a discharge of any material or substance, including hazardous material, in violation of California or federal law
7. In reviewing each application, the Board of Directors will in good faith, exercise "reasonable discretion" which may include but is not limited to such factors as: (i) the nature of the proposed change, (ii) any adverse impacts upon other property owners resulting from the proposed remodel, (iii) any adverse impacts upon other property owners during the course of the proposed remodeling, (iv) any over-utilization of common areas or increase in common area maintenance expenses due to the proposed remodel, (v) the permanence of the proposed remodel, (vi) the number of jobs in progress and pending jobs, (vii) any aesthetic impact as reasonably determined by the Board, and (viii) City of Coronado, or other required building and Fire Marshall permits or approvals for the proposed remodel.
8. Not more than thirty (30) days after receipt of a written application for approval to remodel a Unit, the Association Manager shall notify the Owner in writing of the decision of the Association Board of Directors on the application for permission to remodel. The Association Board of Directors reserves the right to postpone its consideration of a matter in order to conduct additional studies or to seek the advice of outside consultants and the approval may include conditions which, among other things may require changes in the applicant's remodeling plans. Owner will be notified of any need for postponement within this original thirty (30) day period. Notice of the need for postponement will be made in writing and will specify the postponement period necessary. If an application is denied, the written denial will include an explanation as to why it was denied and will include the procedures for reconsideration by the Board (described below).
9. Any challenge to a decision of the Board of Directors to disapprove a proposed change must be made in writing by the applicant and delivered to the Board of Directors, with a copy to the Building Manager, within thirty (30) days after the determination. Within sixty (60) days after receipt of a written appeal, the Board of Directors shall reconsider the specific issues on appeal. Within fifteen (15) days after receipt of an appeal, the Building Manager shall notify the applicant of the date, time and place of the Board of Directors meeting at which the challenge will be considered.

10. All disputes arising out of these Rules and Regulations including but not limited to, the enforceability of these Rules and Regulations, the approval or disapproval of a proposed remodel, or the enjoining or removal of an authorized remodel, may be resolved through the use of alternative dispute resolution, such as mediation or arbitration. Any party to the dispute may initiate the process by serving on the opposing party a request for resolution. This form provides for a request for alternative dispute resolution and a notice that the party receiving the form is required to respond within 30 days.
11. Only after mediation has failed or the opposing party has rejected the request can litigation be commenced.
12. Failure to comply with the pre-filing requirements may result in the loss of the Owner's rights to sue the Association or another member of the Association regarding enforcement of the governing documents, these Rules and Regulations and any other claim relating to a remodeling or proposed remodeling.

Section III. Specific Requirements

1. It is not permitted to make any structural modifications or alterations in a unit, or any installation located within a unit, that would result in the creation of additional kitchens, bathrooms, or rooms. Unit kitchens and bathrooms may not be relocated within the unit.
2. Additional waste lines may not be added to an existing waste line in a unit. No structural modifications or alterations in a unit are allowed that result in the creation of an additional bedroom or sleeping space in addition to the bedrooms that appear on the original condominium plan recorded in the Office of the County Recorder of San Diego County. No enlargement of the Unit is permitted except the enclosure of the balcony and window push outs in strict accordance with the section entitled Balcony & Window Modifications below.
3. Any modifications or replacement of windows and any enclosed balcony windows shall comply with the provisions of the section entitled Balcony and Window Modifications below.
4. Only blinds, drapes, shutters, or curtains shall be used as window coverings. That portion of the window covering that faces the exterior of the building shall be white or off-white. Other coverings require Manager approval.
5. If the windows are to be tinted, the shade of tint shall be specified in the plans submitted with the application and shall be subject to approval by the Board. The Board will approve only the lightest grey tint available, and each homeowner request must specify the tint. Where double pane glass is selected, the tint must be applied post-manufacturing or otherwise adjusted so as to match the tint in single pane glass (not darker because of double thickness).
6. If screens are to be installed, they shall be constructed of gray fiberglass screening with clear anodized 1" aluminum frames.
7. Carpets must be installed over approved pads. Approved cushion backed vinyl may be installed in kitchen and bathrooms only. For hard surface flooring an Owner's selected Flooring System must meet a minimum FIIC rating of 59 for all floor areas within the Unit. Reasonable evidence must be presented at the time of application for installation that the Flooring System will meet these standards. Reasonable evidence may include: (a) a Flooring System included on the list of Flooring Systems believed by the Board to meet FIIC standards if properly installed, (b) a certified onsite test performed in Owner's Unit, or (c) a published certified test made in a building substantially similar to El Encanto over an 8" or less concrete floor with an exposed slab ceiling below. All tests to meet these standards shall conform to and be consistent with standards of the National Voluntary Accreditation Program (NVLAP) for ASTM E1007 or equivalent.
8. Channeling, coring, detouring or cutting of concrete floors, ceilings, columns or walls is not permitted.
9. Any replacement of the unit's garbage disposal will utilize a 1 horsepower motor.

10. If the remodel work consists of modifications to the laundry area or the bathroom in which the laundry is located, the water shut-off valve must be relocated to the upper part of the back wall. This is to ensure that the water to the washing machine can be shut-off without pulling out the washer in case of a water leak.

11. It is not permitted to utilize the Building's wet bar drainpipe for any other purpose other than the unit's wet bar.

12. Manager approved protective floor covering mats are to be placed on the hallway floor leading to the unit. The protective floor mats must have a vinyl or rubber anti slip backing and be no thicker than half an inch.

Section IV. Balcony and Window Modifications

1. This section sets forth rules and regulations for remodeling of 1) balconies, including without limitation, installing or replacing any covering (such as, but not being limited to, tile) on a balcony, enclosing all or part of a balcony (whether or not now or previously enclosed) or modifying or replacing any part of a window on a previously enclosed balcony and 2) windows, including replacement of existing windows or moving windows as provided herein to a location within the “common area” of the ledge, which remodeling is referred to as “pushing out windows” or similar language.
2. To the extent that a homeowner is now or he or his predecessors in ownership of the unit have enclosed a balcony or the owner is pushing out windows, they shall or have assumed the risks involved in incorporating into their dwelling an area with no real roof. The floor of the open balcony above such enclosed balcony and in the case of pushing out windows, the ledge overhanging such windows has no roofing material and was not made to be waterproof! The Association will not be responsible for water leaks through the ceiling of an enclosed balcony or the ceiling of the area enclosed by pushing out windows.
3. The Board of Directors will consider owner plans for window replacement as part of its review and approval process for all remodeling/construction project plans, certifications, and documentation. In order to ensure that planned construction, including low-bar windows, full-height windows and pushed out windows will comply with the provisions of these Rules the Board may consult experts regarding the plans and the Board may wish to monitor compliance of construction with approved plans.
4. As provided in Section II, Paragraph 5, a non-refundable fee (initially \$500) will be charged for Association review of plans and supporting documentation for balcony enclosures and any window modifications, whether or not involving pushing out windows and for oversight of construction to ensure conformance with approved plans. This fee will be in addition to deposits to provide for any damage caused during the construction process.
5. Homeowners who undertake any window replacements, or balcony enclosures or other balcony improvements (including installing tile or another permitted covering on a balcony) shall be responsible for the maintenance, repair, upkeep and replacement of such window replacements, balcony enclosures and other balcony improvements; however the Association shall remain responsible for maintenance of any affected Common Area. Any additional costs to the Association associated with removal or replacement of such window replacements, balcony enclosures and other permitted balcony improvements to facilitate maintenance of the Common Area shall be the sole and exclusive obligation of the homeowner. This maintenance responsibility shall include the responsibility for any and all damage to the Common Area that may result from use of the items to be installed as part of the window replacement, balcony enclosure or other balcony improvement, including any necessary spalling repairs. Said window replacements, balcony enclosures and other balcony improvements shall be maintained in a clean, safe and attractive manner, as determined by the Board of Directors.

6. In the event that repair or replacement of the Common Area affected or covered by a window replacement, balcony enclosure or other balcony improvements (including tile or another permitted covering on a balcony) requires the repair, removal or renovation of such window, enclosure or covering, the Association may (a) demand that the Homeowner promptly make such repairs, removal or renovation or (b) may provide reasonable notice to the Homeowner and perform the necessary repairs, removal or renovation itself subject to the reimbursement rights set forth in these Rules and Regulations. If option (a) is chosen and the Homeowner shall fail to make the necessary repairs, removal or renovation, the Association shall then be entitled to enter upon the Unit and the balcony enclosure and balcony, as the case may be, to effect such work as is reasonable to allow the Association to perform any maintenance or repairs to the Common Area as the Association, in the sole discretion of the Board, deems necessary. The Homeowner shall promptly reimburse the Association for all costs and expenses which are incurred as a result of the window replacement, balcony enclosure or other balcony improvement made by the Homeowner. The Homeowner shall bear responsibility and costs for the restoration and replacement of the window replacements, balcony enclosures and other balcony improvements (including tile and other permitted coverings on a balcony) which are removed or must be renovated as a result of the Association's maintenance obligations over the Common Area.
7. Neither 1) the payment of any fee, deposit, or other sum, 2) the approval of remodeling and of any plans therefore, 3) any provision of these Rules and Regulations or the implementation thereof, nor 4) any actions taken or not taken by or on behalf of the Association in connection with any remodeling, whether or not involving balcony enclosures or improvements or window modifications, shall render the Association liable for any loss, cost or other consequences of damage resulting from any remodeling. Each Owner who applies for approval of any remodeling shall have thereby expressly agreed to the preceding sentence.
8. All new materials shall conform to the existing glass panels and aluminum frames in El Encanto Tower subject to rules and shall conform to City of Coronado Building Codes.
9. The leveling of any balcony floor shall be accomplished by the use of fire-retardant treated wood or equivalent. Terrace units are exempt from this rule.
10. Balconies that are not fully enclosed by walls may not be covered wholly or in part, even temporarily, with carpet or other material which absorbs and/or retains moisture.
11. The use of lightweight concrete in conjunction with any element of a balcony enclosure or pushing out windows is expressly prohibited. Terrace Units may use lightweight concrete to level the floor.
12. Balconies shall be enclosed so that the glass will be placed no closer than 14" to the outside edge of ledge. In addition, in units 03, 04, 07 and 08 the glass will be no closer to the edge of the ledge than the outer edge of the building's outer columns.

13. The existing balcony railings shall remain in their original position.
14. The top edge of any horizontal divider in a new window shall not be higher than 3'8" from the existing balcony deck and the edge of the said horizontal divider shall not be less than 3'2" from the existing balcony deck, except low cross-bar windows will be permitted as long as the cross bar is located at a uniform level which is approximately 24 inches above the unit floor and either the window cannot be opened or there is a device in the track of the window which is non removable and prevents the window from opening more than four inches, all to the satisfaction of the Board. This is the safety standard believed to be currently applied by the City of Coronado.
15. If the existing balcony window walls are not to be used to enclose the balcony then the vertical dividers in any new window Wall shall be centered so as to line up with main posts in the existing railing.
16. In corner Units (03, 04, 07, 08) vertical corner posts in the new window walls at the corners shall be equidistant from the existing railing corner posts.
17. Full-height (floor to ceiling) windows will be permitted, subject to the last sentence of this rule and to the regulations of the City of Coronado. Such windows except those behind balcony railings must be fixed so they cannot be opened. It is understood that the City policy currently limits any full-height window to installations behind an existing balcony railing. While the Association may approve plans for full-height windows that are not behind an existing balcony railing, such approval will be conditional on the City granting a permit for such windows. The owner must submit as part of the application to the Association for approval of full-height windows a certification by an engineer or architect licensed in the State of California that the windows are safe against reasonable risks of breaking by internal or external action.
18. Window extensions or "push outs" may be permitted by the Board to such location or locations as the Board from time to time shall approve. In general, pushed out windows and windows on enclosed balconies shall be no closer to the edge of the ledge than 14 inches except where permitted to be closer by the City of Coronado and by the Board; provided that in units 03, 04, 07 and 08, windows shall be no closer to the edge of the ledge than the outer edge of the building's outer columns. In units 02, 05, 06 and 09 certain window push outs determined by the Board shall be no closer to the edge of the ledge than the outer edge of the building's outer columns. Window extensions or "push outs" onto the ledge, which is common area, require a license or a lease with the Owner of the unit whose windows are pushed out. The Board of Directors has the authority on behalf of the Association to enter into such a license or lease which will contain such terms and provisions as the Board shall determine at the time the license or lease is executed.
19. All replacement windows, in virtually all cases, shall be two or three equal (shall be equal) width window panels between the building columns.

20. Upon submission of a request by the owner of a terrace level unit (101 through 109), the Board of Directors may approve the removal of railings where there is no resulting fall hazard. Where there is an open door or an area for human access, and there is a drop to the terrace level, the railings or steps must remain. If the steps need to be lengthened to eliminate any exposed fall hazard, the design of replacement steps shall be the same as the original. The design and placement of such steps are subject to board review and approval. The homeowner will pay the legal expenses incurred.
21. Upon submission of a request by an owner of a unit, the Board of Directors may approve the omission of glass panels in railings in situations behind fixed sections of pushed-out sliding doors or behind windows that have replaced sliding doors. The movable section of a sliding door (opening) must be protected by a complete railing with glass panel. A written agreement clarifying association and homeowner responsibility must be executed and recorded with the property. The homeowner will pay the legal expenses incurred.

Section V. Construction Process

1. Prior to commencement of any work activity, Homeowners are required to obtain from each Contractor, Subcontractor or workman a current copy of insurance coverage as follows:
 - (a) Liability and General Comprehensive Statutory Workers compensation for all employees and Employees Liability including occupational disease coverage.
 - (b) Automobile liability and Property damage coverage
 - (c) Product liability and property damage coverage.
 - (d) Contractors should provide the Homeowner a "Certificate of Insurance" for each policy listing the Association as Additional Insured and notify the Homeowner within 3 days of cancellation or material change in coverage.

Before work is commenced the Owner shall furnish copies or other evidence satisfactory to the Manager of such insurance and if such copies or evidence satisfactory to the Manager is not submitted, the Manager on behalf of the Association, may bar commencement or continuation of the work. The Association, the Board of Directors, Manager, Engineer and all other employees of the Association shall have no responsibility with respect to the existence or adequacy of the coverage of the insurance, or any and all other matters relating to insurance coverage. Without limiting the effect of the preceding sentence, even if the Owner shall fail or refuse to submit evidence of insurance coverage, all responsibility and risk with respect to insurance coverage shall be that of the Owner of the Unit undertaking remodeling.

2. All proposed modifications or alterations including windows, must be in strict compliance with the CC&Rs, the Articles of Incorporation, the By-Laws, and the Rules and Regulations of the Association, as well as any federal, state or local laws or regulations (including the City of Coronado Municipal Codes and The Uniform Building Code) and all materials used must conform to specifications established by the Association.
3. Failure by the applicant to comply strictly with the representation of the remodeling made in the application for approval hereunder, or any conditions imposed by the Board of Directors shall result in a revocation of any prior approval.
4. The applicant may be required to correct, at its own cost, any modifications not in compliance with Association rules, conditions imposed by the Board of Directors, or federal, State or Local law. A Homeowner who remodels a Unit without approval from the Association (including without limitation, remodeling different from the application approved by, or not in compliance with conditions imposed by, the Association) will be responsible for the removal of said remodeling to the extent it was not approved by the Association and the restoration of the unit to a safe condition approved by the Association and the payment of all costs and expenses relating to such removal.

5. An approved remodel must be started no earlier than the agreed start date which is to be specified in the written approval of remodeling and must be completed, and all remodel construction activity concluded, within (150) calendar days from the agreed start date of remodeling. In addition remodeling work must begin in fact no later than 1 week from the agreed start date or the Homeowner must apply for a new agreed start date which may be affected by the number of applications for approval of remodeling that have been filed by other Homeowners and which are competing to be among those permitted under Section I, Paragraph 6 of these Rules. Homeowners whose remodeling is not completed by the (150th) calendar day following the agreed start date must cease construction on that day; provided that they may at any time prior to or after such 150th calendar day apply to the Association for approval to extend their completion date, but not beyond June 1 except for Permitted Summer Work.
6. The application shall state the reason for the extension such as weather or other force majeure causing construction delays. If the Association grants the request it shall specify the dates for commencement and completion of the remodeling and whether it finds that the extension is granted for good cause. Good cause is significant and unusual disruption by weather conditions, labor strikes, and events generally characterized as force majeure, but specifically do not include the following (referred to herein as “Contractor Problems”) financial problems or bankruptcy of a contractor or supplier, contractor or supplier default or delay or shortage of materials or supplies.
7. In order to avoid excessive numbers of concurrent remodeling projects in progress: If construction completion is delayed beyond the 150th calendar day for Contractor Problems, the Board may approve an extension but it is understood that if there are other Homeowners whose agreed start dates for remodeling have either been established or are awaiting establishment pending completion of the remodeling by the Homeowner whose work is delayed, the Board shall be entitled to deny such Homeowner’s request for extension while the other Homeowner or Homeowners proceed with their work.
8. If the Association approves extension for other than good cause or a Contractor Problem it may condition such approval on payment to the Association at the time of, and as a condition precedent to effectiveness of such approval, of a fee of \$500 per day for the approved extension period. If the remodeling is completed prior to the approved extended date for completion, the Homeowner shall be entitled to refund, without interest, of such daily fee paid to the Association for the number of days between the actual completion and the approved date for completion.
9. Remodeling occurring after the approved completion date (as it has been extended, if applicable) shall subject the Homeowner to **monetary penalties of \$500.00 per day that such construction continues beyond the approved completion date.** Nevertheless, the Association shall be entitled to sue to enjoin or otherwise act to restrain such construction by lawful means, including barring the access of contractors and their employees and suppliers from the Building. All remodeling must be scheduled to have its completion date prior to June 1st provided that Permitted Summer Work may be scheduled with the approval of the Board to occur during the Summer Season.

10. In the event that the Association is required to challenge any unauthorized modification or nonconforming modification or to take legal action to enjoin construction, or to participate in any proceeding which is brought by the Homeowner against the Association with respect to any remodeling, if the Association is the prevailing party it shall be entitled to recover its reasonable costs and attorneys fees. The applicant may be required to remove at his/her own expense any modifications not in compliance with Association rules or conditions imposed by the Board of Directors or federal, state or local law.

Section VI. Specific Rules Regarding Construction

1. A California State licensed contractor shall perform all remodeling.
2. Prior to the commencement of work by a contractor the homeowner shall furnish to the Association the name, contractor's license number, and phone number of each contractor, which term as used herein includes subcontractors.
3. Work in units is only permitted from 8:00 a.m. to 4:00 p.m. Monday through Friday (except legal holidays). Except where the Board has given approval of Permitted Summer Work, work is only permitted during the dates of September 15 through May 31.
4. The Manager and Building Engineer shall have the right to inspect a unit daily during remodeling and at completion for compliance with the rules and regulations.
5. Construction debris must not be placed in the Association trash dumpsters. Construction debris must not be thrown down the trash chute. Construction debris must be bagged and the homeowner is responsible to have it removed and disposed of legally.
6. The Association grocery carts and luggage carts are not to be used to carry construction materials to the unit or construction debris from the unit.
7. Smoke detectors must be protected from airborne contaminants. Warning: Do not leave the condominium without smoke detector protection. Sprinkler heads must not be painted or disturbed in any way.
8. Homeowners are responsible for any damage to common areas or required cleanup in common areas caused by or in the course of its remodeling. Common areas may not be used for storage.
9. Relocation or detouring of existing vertical cable television lines in a Unit or common area must be placed in rigid conduit with sweeping bends to allow renewal of the cable in the future.
10. The Building Security MUST be notified in writing in advance of their entry of the names of all people who will need access to the Unit for them to be allowed entry. Such notification must be signed by either the Owner or one of the Contractors named by the Owner.
11. Building Access Control System: Contractors and their employees will be provided an ID Card that will open the lower entrance garage gate and the lower west-side door to the elevator lobby only between the hours of 8 am and 4 pm Monday through Friday. These ID Cards will open no other doors. Your contractor may check-out these cards at the Front Desk for the entire construction period.
12. No contractor vehicles are allowed in the building garages.

13. No work person will be allowed entry through the main lobby doors, except if none of the work persons have a key to the unit, one work person (who has been authorized in writing by the Owner, or a Contractor designated by the Owner, to receive a key) may enter the main lobby doors at the time remodeling work begins each day to sign out from the Building door person the keys to the unit, and thereafter on such day all other persons performing work or delivering materials or supplies shall enter through the side doors in the lower garage level.
14. DO NOT put anything (other than clear water) down the drains of the apartments or this Building. The homeowner shall be liable for the costs of clearing drains clogged by debris.
15. Request for water shutoff MUST be made to the Manager/Engineer 72 hours in advance. There will be a \$50.00 fee for shutting off the water and draining down the stack. Should work require repair following shut off, contractor will need to make arrangements for off hours shut off to correct error. Off hours are considered to be from 10:00pm to 5:00am. No off hour shutoff is permitted unless the Engineer or an Assistant Engineer is on duty during the entire period of such shutoff. Contractor will be responsible for a service fee to have the Engineer or an Assistant Engineer on duty during off hours and must pay such fee to the Association before the shutoff may be made. For each shutoff the service fee shall be a minimum of \$100 and a maximum of \$33.00 per hour that such shutoff exists. If the repair is not completed by 5:00 am, the water shall be turned on and the contractor shall assure there is no water leakage, unless the Association in its discretion shall allow a temporary extension of the shutoff for a period which it specifies.
16. Elevator Use. Either elevator may be used to move in/out or to transport tools/materials. The Building staff will have pads and protector mats installed in both elevators. Please plan your work so as to hold open elevator doors for a minimum time while loading and un-loading an elevator. FOR RESIDENT SAFETY REASONS DO NOT PLACE FURNITURE OR CONSTRUCTION MATERIALS IN FRONT OF THE ELEVATOR DOORS. Have enough workers to take the items directly to the area just outside the door to the garage which can be used as a temporarily storage site while items are loaded in/out of the elevators. The elevator shall be used efficiently so that the number of elevator trips used for any remodeling shall be minimized as much as possible. DO NOT OVERLOAD the elevator, no more than 60% of rate weight is to be loaded into a single car. This is roughly 1500 pounds or 20 sheets of dry wall.
17. Contractors are not to have items shipped to the building unless the contractor is available for immediate receipt and removal of such items from the garage, the driveways and the property surrounding the entry to the garage. If items are delivered and the Building staff accepts or otherwise allows such delivery and such items are not picked up immediately by the contractor, a daily storage fee will be charged. In addition, such items may be discarded in the trash if they are not picked up within 24 hours after notice, which may be oral or otherwise, is given either to the Contractor or any of his employees or agents or is placed in the Homeowner's box in the mailroom area of the Lobby or affixed to the door of the Unit. The Association, the Manager, the Engineer and all other employees of the Association shall have no liability relating to such items delivered to the Building, whether from damage to or discarding such items or otherwise. Storage space in the Building is extremely limited and reserved for homeowners and residents only.

18. Odor and dust abatement requirements. The process of spray painting, the use of any paint other than interior acrylic, the use of any resin-based sealer/paint/varnish or standing of dry-wall mud requires the use of a HEPA Air scrubber similar to Dri-Eaz DefendAir HEPA 500 Model F284-115V. The unit shall be sealed with painters' tape and plastic on all electrical outlets, the front door, all smoke detectors and all vents before the sanding or application of non-acrylic paint or varnish. The Manager will be notified when this type of work is scheduled so the setup can be verified prior to starting. The building can provide this equipment at a rate of \$250 per day if the contractor desires (a release of liability agreement must be signed).

Section VII. Enforcement

1. Homeowners are responsible for the behavior and work habits of their contractors, sub-contractors, delivery person and any persons involved in their remodeling.
2. Any violations of these rules are subject to fines against the homeowner. The current schedule of fines is listed below. Fines are on a per violation basis and are not limited to the ones stated.
 - a) Violation of the rules regarding loading and unloading elevators: \$50.00
 - b) Garage *use* in violation of these Rules and Regulations: \$50.00
 - c) Use of luggage carts for materials: \$20.00
 - d) Working before/after hours: \$50.00
 - e) Tampering with or failure to protect smoke detectors: \$100.00
 - f) Failure to return key by 5:00 pm: \$50.00
 - g) Loss of key: 50.00 plus all related costs
 - h) Daily Package Storage: \$10.00
 - i) Failure to protect sprinklers: \$100.00 plus all related costs
 - j) Failure to clean-up common areas, including parking areas, after work day: \$50.00
3. This schedule of fines may be changed at any time by the Board and such changes shall apply to all violations occurring subsequent to the adoption of the change by the Board and it's posting in the mailroom lobby or in the elevators, or both for a period of at least five days. In the event that the Homeowner asks the Association to bill a contractor for such fines, it will do so if the Manager finds it practical, but the Homeowner will be liable to pay immediately upon demand if the contractor fails to pay within 15 days of billing.
4. In the event any contractor, subcontractor, supplier, delivery person or person performing work on a remodel shall violate any of the Rules and Regulations and the Manager, Engineer or any other person acting on behalf of the Association shall have given notice thereof to the Homeowner or to the general contractor, which notice may be in writing or oral, on the telephone or otherwise and if the Manager, Engineer or other person acting on behalf of the Association has noted the substance of such notice in a journal or other place, including on a computer, then if the same violator shall thereafter commit a violation of the same or another Rule or Regulation, the Manager may request the Board to give notice to the Homeowner that the Board will hold a hearing at which the Board will consider the matter and may, if it finds that a violation has occurred and that the offense is serious enough in its judgment bar the contractor and his work force from further entry to the Building for such period of time as the Board determines. The

Homeowner shall be entitled to present such relevant information as it wishes to the Board. If the Board concludes after affording reasonable opportunity for the Homeowner to present such relevant information that a second violation or multiple violations have occurred it may bar the contractor and his work force and/or the offending person from the Building. Failure to take action under this paragraph with respect to any violation or violations shall not constitute a waiver of or limitation on the right to thereafter take action under this paragraph.

Signature Page

By signing below, I acknowledge that I have read, understand and agree to comply with and be bound by these RULES AND REGULATIONS FOR HOMEOWNER UNIT MODIFICATIONS, ALTERATIONS, AND REPAIRS:

_____.
Signature of Homeowner . Date

_____.
Signature of Contractor . Date

RECEIPT OF A COPY OF THE FOREGOING SIGNED BY THE HOMEOWNER AND CONTRACTOR IS ACKNOWLEDGED. THIS ACKNOWLEDGMENT SHALL NOT CONSTITUTE APPROVAL OF ANY APPLICATION UNDER THE FOREGOING RULES AND REGULATIONS FOR HOMEOWNER UNIT MODIFICATIONS, ALTERATIONS, AND REPAIRS.

_____.
Signature of Building Manager . Date