

El Mirador Re-Pipe Update: November 28, 2016

This letter will provide some general information about the current status of the building-wide pipe replacement project. At this time, the project is still in the plan review process with the City of Coronado. However, every effort to value engineer the project is still being carefully considered and evaluated.

Furthermore, a lawsuit has been filed so please refer to the litigation disclosure letter attached. The temporary restraining order is scheduled to be heard by Judge Joel Wohlfeil beginning at 1:30 P. M. on Thursday, December 15, 2016 in Dept. C-73 in the Hall of Justice located at 330 West Broadway, San Diego. **Therefore, at this time, please disregard any previous verbal or written anticipated work sequence information. Updated information will be provided as soon as possible when details are confirmed.**

As you know, the building has experienced numerous leaks over the years. The subsequent damage was caused by a severely corroded pipe system, as well as storm drain leaks. Therefore, this re-pipe project offers all owners a comprehensive and lasting solution to protect and enhance your investment.

We fully appreciate that the project scope, costs and owner benefits are substantial. Therefore, all construction phases will undergo thorough preparation and review prior to implementation. Every effort will be made to complete the project with the least amount of disruption possible. The contractor's project plan includes a strategy for materials staging and delivery, safety, reduction of inconvenience as much as possible, and lastly a unit by unit time schedule for pipe replacements.

The purpose of this project is to restore units with new sanitary sewer pipes and vents and replace El Mirador's aging storm drain system. These pipes, known as stacks, pass through the walls and floors of all units and common areas. To replace these pipe stacks, skilled contractors will remove drywall and other finishes as they remove and replace the pipes. Where possible, access to the pipes will be approached through hallway walls. However, in many cases, access will be through cabinets, shower walls, closets, etc. This will require the removal of drywall, cabinets, counters, tile, etc. within your unit.

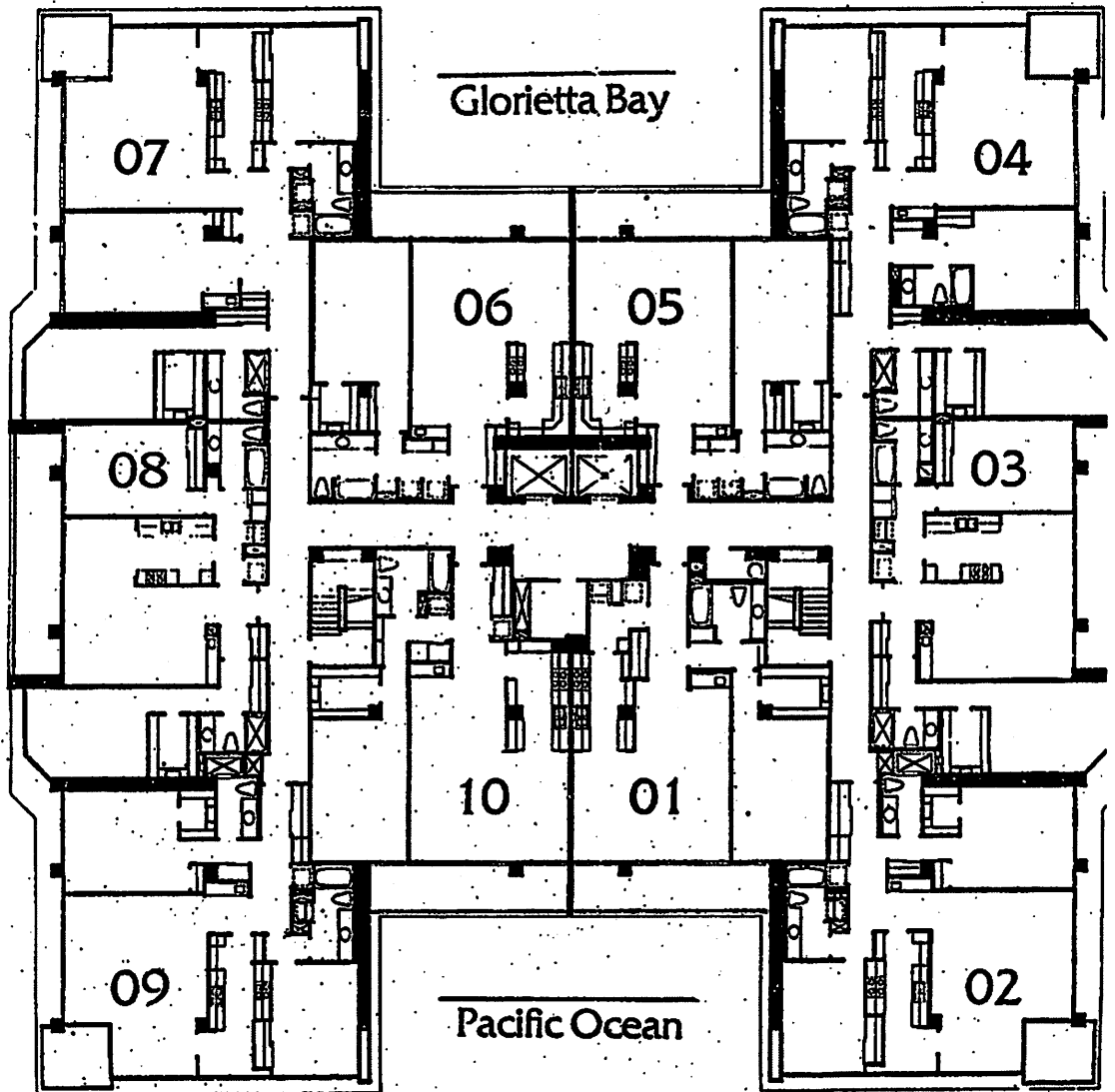
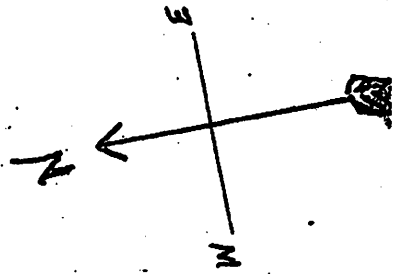
Prior to work commencing, notices will be placed on doors to inform owners of upcoming work in their unit. Notices will include information to help you prepare for the work. For example, it will be important to remove certain wall hangings, art, electronics and other belongings from key work areas. The contractor will make every effort not to damage or remove cabinets, wall coverings, etc., but damage or removal will occur in many cases as old pipes are removed and new pipes installed.

Homeowners with the original construction layout or upgraded construction that matches the original layout and sizes will be restored at no additional cost to owners. See attached "original" unit configurations. Costs will be assessed to owners for the removal and reinstallation of all "non-original" improvements including, but not limited to, custom cabinets, backsplashes, tile or stone attached to walls, custom countertops, wall treatments, added plumbing and drains, as well as extra costs associated with accessing those "non-original" improvements/additions to complete the work.

Owners may elect to have the contractor rebuild the "non-original" improvements at an agreed upon price, or leave the area repaired with drywall only. This will allow the owner to select and hire a contractor of their choice to complete the restoration of areas affected by the re-pipe project. In either case, the restoration costs for all "non-original" areas are the owners responsibly.

We look forward to the successful completion and long-term value this project will bring to all owners.

Sincerely,
Your Board of Directors



Members of the Coronado Shores Condominium Association No. 9
c/o Karen Oyanguren, CCAM
Coronado Shores Condominium Association #9
1820 Avenida del Mundo
Coronado, CA 92118

Re: Litigation Disclosure

To Members of the Coronado Shores Condominium Association No. 9:

This law firm represents the Coronado Shores Condominium Association No. 9 ("Association"). I am writing to inform you of a lawsuit that has been filed against the Association by Ken Sigelman and Susan Handel, owners of units 1404 and 1204. The lawsuit was filed on November 4, 2016 in San Diego Superior Court and bears case number 37-2016-00038825. The Association was served with the lawsuit on November 15, 2016.

Mr. Sigelman and Ms. Handel are suing to invalidate the vote earlier this year approving the special assessment for the re-plumbing project for the building. They are also seeking unspecified damages from the Association. On November 15, 2016, the Superior Court issued a temporary restraining order to stop the re-plumbing project for the building until the court holds a hearing on December 15, 2016, in Department 73 in the Hall of Justice located at 330 West Broadway, San Diego, on whether or not to issue a preliminary injunction against the plumbing repairs pending a trial. This hearing is open to members of the public.

The Association is opposing the motion for a preliminary injunction. A permit application for the re-plumbing project is still in the review process at the City of Coronado. Assuming that a permit is issued soon, the re-plumbing project cannot commence until after the hearing on December 15, 2016, assuming that the court denies the preliminary injunction.

Our firm, members of the Board of Directors and staff are unable to discuss this matter individually with anyone so please do not contact our offices, Board Members or staff for information. The court's file on this matter is a matter of public record and any interested person may review the papers on file with the court at the office of the clerk of the court located in the Hall of Justice by requesting to inspect the file by its case number, 37-2016-00038825.

Very truly yours,

EPSTEN GRINNELL & HOWELL, APC

/s/

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