

TO: All Homeowners

It has been reported to the Board of Directors that during the heavy rains that we experienced in the late fall of 2018, several homes built by DR Horton began experiencing water leaks below the upper floor concrete patio slab. The leaks, over a period of time, visibly penetrated walls and ceilings below the general locations of the concrete patio slab edge. Given the limited information available at the time of the reports, the Association took proactive steps to protect property and retained Blue Nail Enterprises, a general contractor and roofing company, to inspect these homes and attempt to determine the source or cause of the leaks, and to recommend a solution to mitigate the leaks. The Association also asked Blue Nail Enterprises to inspect the upper floor concrete patio slabs at several homes built by DR Horton throughout the community that had *not* experienced water leaks.

Blue Nail Enterprises reported that the leak was caused when water seeps between the upper floor concrete patio slab and the metal edging on the outside of the patio slab at the edge of the building (see enclosed picture.) It cannot be determined, at this time, whether the source or cause is due to inadequate architectural design or construction defect. Blue Nail Enterprises believes that the water seeps between metal edging and patio slab and eventually works its way inside the home.

Blue Nail Enterprises was able to recommend a repair that appears to prevent water from seeping under the concrete slab in the homes that reported a leak. The repairs entail applying a silicone sealer in every location along the upper floor concrete patio slab where it appears that water may enter the home. Each home may require its own unique recommendation to repair the issue.

It should be pointed out that the leaks brought to the attention of the Association, as of this date, were only in the DR Horton homes on south Riverview Drive that were built in approximately 2012. However, Blue Nail Enterprises did determine that there is a similar gap, as described above, in all the DR Horton built homes that they inspected. Blue Nail Enterprises cannot determine, and does not opine, in those homes if the same design/construction flaw exists under the concrete slab.

The Association has determined, based on the Declaration and Maintenance Responsibility Chart, that the cost of future maintenance and/or repairs, and any resulting leak damage, caused by a leak as described above, or any leak from water seeping into any home from around or under the upper floor patio slab will not be covered, repaired, or maintained by the Association. That is each homeowner's responsibility. The Declaration's "Designation of Area of Common Responsibility and Maintenance Chart" limits the Association's repairs to "Dwelling foundation, patio slabs, balconies and A/C slabs" to "slab failure" only.

The Association is recommending that all homeowners, including DR Horton homeowners, carefully evaluate the need for preventative steps in order to minimize future water leaks and the resulting inside water damage. Some preventative measures spent today could save you from thousands of dollars in repairs in the future.

Blue Nail Enterprises has provided a quote of approximately \$600 - \$800 per home to seal the areas described in this memo for a remedial repair to exterior only. If interested, Blue Nail Enterprises can be contacted directly by calling 469-726-2176. Homeowners can also utilize their own contractor to make the repairs.

It is the limited responsibility of the HOA to maintain certain items as set forth in the governing documents. It is not the responsibility of the HOA to modify, construct or improve a home from its original design and construction or to correct design or construction related issues that may be part of the original construction.

The responsibility of the HOA is to follow the current governing documents, which include the:

"Shops at Prestonwood HOA CC&R Checklist

Designation of Area of Common Responsibility and Maintenance Chart

Maintenance Responsibility Chart"

This chart can be located on the HOA web site under "Documents" and

"Governing Documents."

