

BEAULIEU GARDENS CONDOMINIUM
WATER & SEWAGE LEAK POLICY
March 14, 2007

Association Leak Responsibility

The Homeowners Association (HOA) is responsible for repairing water and sewage leaks in common elements as defined in the CC&Rs. Examples of common elements damage are roof leakage, slab leaks and broken pipes inside common walls. This does not include any plumbing outside a wall, nor any water damage caused by overflow from another unit unless it originated from a common element.

Damage to Actual Leak Area

Pertaining to a leak caused by a common element, the HOA will perform the following through its contractor to the actual leak location:

- The contractor will repair the pipe causing the leak.
- The contractor will move and re-attach any cabinets at the leak area required to repair the leak.
- The contractor will fill in and smooth over any holes in the floor or walls created to repair the leak.
- The contractor will clean and paint any wall areas damaged by the leak.
- The contractor will clean any carpet over the leak area.
- If the leak is in the kitchen and/or bathroom, the HOA will reimburse the Homeowner up to \$250 for repair or replacement of the floor covering with like kind material or less in each area where it's affected.

Damage to Surrounding Floor Covering

The HOA, through its contractor, will clean and re-stretch permanently installed carpet and pad due to water damage in the surrounding areas of the leak. HOA's contractor will also replace permanently installed carpet pad if damaged beyond repair. If the permanently installed carpet or other permanently installed floor covering is damaged beyond cleaning and/or repair the HOA will reimburse the Homeowner up to \$25.00 per square yard for replacement of the damaged area.

Damage to Surrounding Walls

The HOA, through its contractor, will clean and prepare the wall for painting and paint the damaged area with paint provided by the owner to match

Reporting Slab Leaks – All slab leaks and interior wall leaks should be reported to the management company as soon as possible

Reimbursement - All reimbursement receipts for allowed items as defined above must be submitted to directly to the management company for approval and payment.

Recommendations

The Board strongly recommends that owners of ground floor units do not install wood floors, expensive carpet or other costly floor coverings which are susceptible to water damage. It is recommended that Homeowners keep additional pieces of floor covering and paint in the advent of a repair. It is also recommended that the Homeowner maintain the proper insurance coverage for amounts in excess of those stated in this letter and for damage caused by other units.