

Newcastle Owners:

Your Board of Directors has been working on a very important infrastructure issue that we need to bring to your attention. When our development was constructed, in the early 1990s, a material known as polybutylene was used for our water supply and distribution system. Unfortunately, this material now poses a significant risk for our community. The Association is responsible for protecting, repairing, and replacing all of Newcastle's common elements, including rough plumbing, and the Board has determined it is necessary to replace these failing pipes.

When polybutylene was first introduced, it was thought to be the next great advance for plumbing pipes and fixtures. The piping is a form of plastic resin that was used extensively for water supply piping between the years of 1978 and 1995. At the time, it was thought to be a very resilient product, but soon proved to be exactly the opposite.

Over time, polybutylene piping loses its strength and becomes brittle, sometimes even scaling or flaking. Micro-fractures result and the basic structural integrity of the system is reduced. It's believed that the oxidants in water, such as chlorine, are what cause polybutylene to break down and lose its resilience.

Polybutylene piping has caused hundreds of millions of dollars in damages, and although the manufacturers never admitted to it being defective, the piping is no longer accepted by the United States or Canadian building codes. Most insurance companies now refuse to insure homes or condos with polybutylene piping due to the high-risk factor of pipe breakage and potential for leaks.

Here at Newcastle, we have recently experienced our first polybutylene piping-related failure, and this failure resulted in significant damage to the affected units. For this reason, it is now necessary for our Association to address and remediate our water distribution piping.

The Board is working with an engineering firm to define a comprehensive scope of work with which to initiate a competitive procurement and bidding process in accordance with the requirements of section 718.3026, Fla. Stat., for re-piping each unit in Newcastle.

It is our intent to make the re-piping process as easy and efficient as possible. The successful contractor will handle all permits and inspection paperwork. The process for each unit is described further herein, and the actual re-piping will be completed in one day. After the re-pipe is completed, each unit will receive a county inspection. After the inspection, the contractor's drywall crew will repair all access holes within units created to facilitate the re-piping and will match the existing drywall/surface texture. The interior walls located within the units will not be repainted. Painting of the interior walls within the unit will be the responsibility of each unit owner.

Unfortunately, this necessary work will require a special assessment to be levied in accordance with section 10 of Newcastle's Declaration. The amount of such an assessment won't be known until the scope of work is developed and the competitive bidding and procurement process is completed, but the overall cost of this project is projected to be on the order of \$1.4 to \$2 million. This would mean each unit owner would be assessed in the range of \$5,000 to \$7,200 per unit. The Board will be focused on getting preparations for this project completed as soon as possible and will also consider all options available, including an installment schedule or alternative funding to alleviate the impact of the special assessment

Our Annual Meeting will be held on February 17th at the Berkshire Lakes Clubhouse. We hope as many of you as possible will attend!

Your Newcastle Condominium Association Board of Directors