



Town of Mountain Village
Community Development Department
DEPARTMENT OF BUILDING SAFETY
Home Owner Alert

FROM: Chadley Root, CBO

SUBJECT: Heatway Entran II Radiant Heating Hose, Twintran, Nytrace, Entran II Trace, Entran II Wire, Entran 2, Entran 2 Trace and Entran 2 Wire.

DATE: September 24, 2009

Attention Home Owners and Contractors:

It has come to the attention of The Department of Building Safety that on November 19, 2009 the rights for home owners to a payment from the settlement fund will expire on the Heatway Entan II please read the attached information as this product was used in the Region. As many Contractors and Plumbers are aware there have been significant failures of this radiant heating system. The product is a defective orange rubber heating hose made by Good Year and bearing the Heatway Systems name. Testing has demonstrated that this hose is defective and will fail costing the homeowner a significant amount of money in property damage and to replace the system. Please read over the attached information if you have any one of the faulty systems installed. The attached info will also tell you how you can file a claim to receive compensation.

If you have any question please feel free to give me a call at 970-729-3439.

THINGS TO KNOW:

What products are covered? The settlement covers Entran II, Twintran, Nyrace, Entran II Trace, Entran II Wire, Entran 2, Entran 2 Trace, and Entran 2 Wire.

How much money will my customers get? If they own a home with any of these products, your customers are very likely entitled to money from the settlement. The amount they are entitled to will be calculated based on the type of installation they have. Your customers' "Maximum Claim" is arrived at by multiplying the square footage of the Entran installation by the reimbursement rate. This is how it works:

In-Slab: \$75.10 per square foot
Thin-Set: \$66.00 per square foot
Staple-Up with Finished Ceiling: \$38.40 per square foot
Staple-Up Exposed: \$17.50 per square foot
Snowmelt: \$38.40 per square foot
Baseboard: \$6.40 per square foot

Let's say one of your customers has a two-story 2,000 square foot house, where the first floor is heated by Entran installed in-slab, and the second floor is heated by Entran installed beneath a finished ceiling. Their maximum claim would be \$113,500 (\$75.100 for the in-slab installation plus \$38,400 for the staple-up installation).

All right, but can he really expect to get his "maximum claim?" Not all of it, and for two reasons:

First, the amount of his payments is dependent on how damaged the customer's Entran system is. The settlement puts owners into three categories. Those in **Category I** have or had less severe property damage, such as leaks at connectors, corrosion or damage to the boiler or other parts, elements or components of the heating system or damage to the surrounding structure. Those in **Category II** have or had failures of their heating system, such as major water damage, and in-line breaks causing property damage. **Category III** also includes people who have replaced their system in whole or in part, prior to November 19, 2009 because of the types of problems discussed above. **Category III** includes all those people who have not yet qualified for **Category I** or **II**. Your customer can change categories if his system degrades after he makes a claim but before the November 19, 2009 deadline. If it does degrade, he'll have to file a new claim so we know about it. If your customer's installation falls into **Category I**, his **FIRST** payment will be 10.2% of his Maximum Claim. If your customer's installation falls into **Category II**, his **FIRST** payment will be 26.3% of his Maximum Claim. If your customer's installation falls into **Category III**, his **FIRST** payment will be 5.1% of his Maximum Claim.

But again, this is only the first payment. Your customer will get a second payment in 2010. The amount of that payment will depend on the amount of his Maximum Claim and the **Category** his system is in at the time (it might have degraded by then). But it also depends on a second factor—the number of customers across the country and in Canada who have made claims. Some time after the settlement fund closes in 2009, all of the remaining money (anticipated to exceed \$100 million) will be

paid out to claimants. The amount of the customer's final payments is dependent in part on the number of claimants among whom we must divide the settlement fund.

The second payment will likely be significant. For example, it is estimated, but not guaranteed, that a **Category II** claimant will receive approximately 52.6% of the Maximum Claim. For the homeowner described above, that would translate to an initial payment of \$29,850 and a second payment of \$29,850 for a total of \$59,700. Actual payments may be higher or lower based on the actual numbers of claimants.

What if the customer has already replaced the system?

That's fine, he can still submit a claim. However, if the replacement was with a like kind system, the amount of his Maximum Claim will be capped by the actual replacement cost.

I've got customers who may need to replace their systems now—they can't wait until 2010. Can they replace their system now and still get money? Yes. We'll need well-documented proof of the amount of square feet, the nature of the problems, the customer's experience, and the type of installations. Take photographs, save some of the hose, save degraded furnace parts, and please describe the system and its problems in writing. When in doubt, CALL US! We're happy to talk to you and to the Claims Administrator ahead of time.

Do the customers have to use the money to replace their systems? No, they can do whatever they want with it. Customers may wait as long as they would like to replace their systems, but delay may increase the likelihood of a failure that may result in water damage.

What if they still would like to sue Heatway? They can't. Heatway is no longer in business, and Goodyear (who manufactured the hose) has been released from liability because it funded the settlement. Your customers' best (and likely only) hope for getting money to replace their systems is to make a claim. We are making a real push to identify everyone we can that is entitled to settlement money, and get them to make claims. None of us wants to be in a position where systems fail after the fund closes, and customers are left without a remedy. That's when people begin to look around for someone else to blame.

Who do I contact if I have questions? Any of us... any time. In addition, to obtain more information, please feel free to review the information on the website at www.entran2settlement.com

David L. Black, Esq.

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ALERT

Heatway Entran II Radiant Heating Hose

As many contractors/plumbers are aware, there have been significant failures of radiant heating systems containing Heatway Entran II hose since it was installed in the early 1990s.

The product is defective orange rubber heating hose made by Goodyear and bearing the Heatway Systems name. Testing performed for homeowners with Entran II systems demonstrates that the hose is defective and will fail prematurely—even if it has not done so already.

Every owner of property containing heating Entran II hose is at risk not only of hose or heating system failure but also of significant damage to the property due to such failure.

We need your help to locate all properties that previously or presently had/have Heatway Entran II hose.

In November 2004, a Federal Court approved a settlement between Goodyear and present and former Entran II property owners in all 50 United States and Canada. The Settlement Fund, over time, will be over \$200 million. This is the only money that will ever be available from Goodyear to compensate home and business owners for their damages caused by Entran II.

It is critical that we locate all users of Heatway Entran II as soon as possible as their rights to payment from the settlement fund will expire forever on November 19, 2009. It is in their interests to make claims as soon as possible. If they have/had the hose and make a claim, they will be entitled to an initial payment immediately, regardless of whether they have replaced, repaired or not yet addressed their systems.

Attached are responses to commonly asked questions which explain the Settlement Fund, how to recover from it, and how much a homeowner might expect to receive.

How can you help?

You can help in two ways. First, you can contact your customers who have had or still have Heatway Entran II systems and work with them to correct any problems and to obtain money from the Settlement Fund by making a claim against the Fund as soon as possible.

Alternatively, if you do not wish to contact customers, you will be providing them with a great service if you provide their names and contact information to those people listed at the end of this bulletin so that they may be informed directly about their right to receive a payment from the Settlement Fund. A form for this purpose is attached and may be duplicated for as many customers as necessary. You will remain anonymous.

Why help?

For a number of reasons, this is the last available source of funds to compensate homeowners for the defective hose. This is an opportunity to generate goodwill and, perhaps future business with customers who may otherwise just look to the installer to correct problems if no other funds are available. In many instances, it is anticipated that settlement payments will be substantial. As indicated, an alternative is to provide contact information for users so that the Settlement Fund administrators may contact them directly.

HEATWAY ENTRAN II USER INFORMATION

Name of User:

Address of Location of Installation:

Approximate Date of Installation (optional):

Approximate Heated Square Footage (optional):

Type(s) of Installation (optional):

PLEASE SEND TO:

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Department of Building and Safety
970-728-1392

To: CONTRACTORS AND HOMEOWNERS
From: CHADLEY ROOT, CBO
Subject: WINTER STAGING/ CONSTRUCTION STAGING
Date: OCTOBER 1, 2009

Dear Contractors:

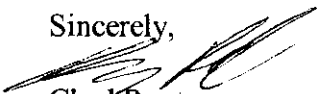
Winter is rapidly approaching and a number of problems are becoming apparent on job sites throughout Mountain Village. Trash and construction debris must be cleaned up before it becomes buried under the snow. No trash will be allowed scattered around sites, all debris must be contained within a dumpster. Problem sites will be issued a STOP WORK ORDER. Walk your job sites daily to ensure that they are in order.

Please remember, no road or utility cuts will be allowed in road right-of-ways after October 15th.

Because of the increasing number of construction related violations, revised Site Maintenance Regulations were adopted by the Mountain Village Town Council in 2006 in an attempt to reduce the impacts of construction on the Town as a whole but more specifically, on the neighbors of construction sites.

Our staff sincerely appreciates your help in maintaining the beauty of Mountain Village. Department of Building and Safety personnel will stop by all job sites periodically to ensure compliance. Should you have any further questions, do not hesitate to contact our office.

Sincerely,



Chad Root
Building Official
