

# A&B- Sun Pipe Line

A&B Pipe and Supply  
Sun Pipe and Valves

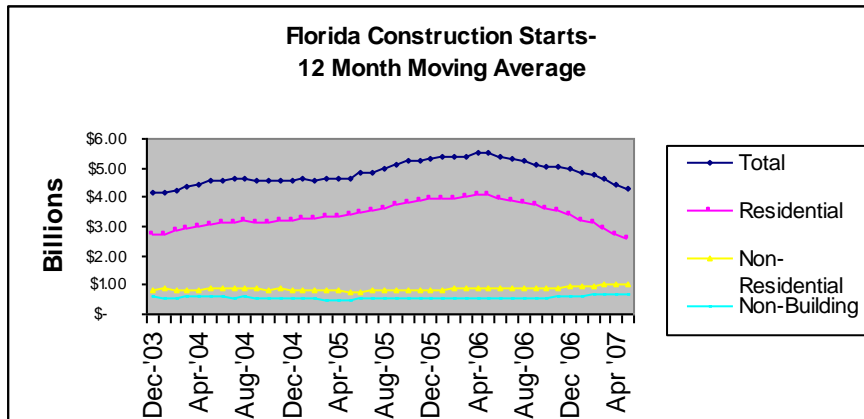
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## From the editor.....

Improved customer service and competitive pricing in a favorable environment has led to strong results for A&B and Sun Pipe. Sales for last fiscal year (ended April) were up over 50%. However, there are signs of storm clouds on the horizon. Sales are only up about 10% after one quarter into the new fiscal year. Declining market signs are evident shown below in the McGraw Hill construction start statistics (not to mention our contractor customers bemoaning a lack of work). Our six county market area represents about 60% of these numbers. The 12 month moving average peaked in April 2006, and has been steadily declining ever since, with no apparent end in sight.

Residential building is the largest segment and 65% of these building projects are single family houses in which A&B/ Sun modestly participates. In Miami- Dade, the ratio is inverse towards multi-family units, and over 15% of our sales go into condo buildings over 10 stories. Currently, our tracking log shows 93 mid-rise and high-rise buildings under construction, and we have shipped product to 59 of these, with more to come as the early stage buildings come out of the ground. The challenge is, that for each



new building coming out of the ground, four buildings are topping out. As the new buildings get certificates of occupancy, developers are finding that they cannot close on "sold" condos. Buyers are forfeiting down payments or seeking litigation to get out of existing contracts. The condo boom is over in South Florida!

It won't be long before we experience a down turn in mid-rise and high-rise shipments, and the slowdown will last two to three years as the surplus condo stock is absorbed in the market.

(Continued on page 3.)

## Aroddy Morejon, A&B Manager, Inside Sales & Counter Sales.....

Nine years ago, Mario Amador was purchasing paint for a remodeling project. The young man mixing the paint impressed him with his attitude, knowledge, and demeanor. Mario gave him his business card, and recommended that he apply for a job at A&B Pipe and Supply. One year later, Aroddy decided to take up the offer and was hired to work at the counter. He has been excelling ever since!

Aroddy was born in Havana and moved to Costa Rica with his family when he was four. After one year awaiting visas, they moved to Miami. He graduated from Miami Springs Senior High School, and then started working at Union City Building Supply in Hialeah, where he was "discovered" by Mario. After working at the counter for six months, Aroddy was promoted to inside sales when an opening occurred. He learned the business well, and last summer, was the first person in company history to personally write \$1 million in sales in one month. This spring, Aroddy was promoted to Manager, Inside Sales and Counter Sales.



While not helping his customers at work, Aroddy enjoys deep sea fishing, playing pool, and his favorite pastime, playing Dominos with the other A&B guys. He is also the proud father of his three year old son, Christian Morejon. And, yes ladies, Aroddy is an eligible bachelor!



ST. Lucie County Clerk of Courts Building, Ft. Pierce....



Sun Pipe supplied pipe, valves, and fittings to the new St. Lucie County Clerk of Courts building. This is a four story, 57,000 sq. ft. building (shown above), connecting to the existing courthouse with a pedestrian bridge. David Brooks Enterprises is the General Contractor. The \$8.5 million project began construction in October 2006 and should be complete by year end.

Siemens Building Technologies is the mechanical contractor. Rand Calender, Sun Pipe, was the salesman on this project. The air conditioning for both the clerks and courthouse buildings will be supplied by three 300 ton chillers located in a nearby 1,500 sq. ft. services building.

Rand Calender also worked with Life Safety Systems, Port St. Lucie, for the fire sprinkler system in the building.



Above photo, Rand is standing next to one of the three Trane 300 ton chillers in the services room.



Left photo, Gary Ehrler, Siemens, is ready to weld a 10" steel pipe to a weld tee. Philip Jackson, also with Siemens, is assisting in the effort.

Right photo, Dan Santiago is the project superintendent for Siemens.





## ***Macy's Department Store, Boca Raton....***

A&B supplied pipe, valves, and fittings for the remodeling of Macy's store in the Town Center Mall. The project included adding a third floor to the existing building. The General Contractor is Whiting-Turner. The plumbing contractor is Plumbing Master Systems Inc. (PMS) from West Park. A&B supplied the cast iron no hub pipe and fittings (sizes 3", 4", 6", 8" & 10") for the roof rain water drainage system. This is a new product offering for our company, purchased from Star Pipe Products. The cast iron pipe, also known as "soil pipe," is excellent quality from an international source. PMS also purchased copper pipe and fittings and miscellaneous hangers and hardware. Richard Ruback was the lead salesman on this project.



Eagle Mechanical, Miami, is the HVAC contractor. Al Riverol was the salesman for steel pipe, weld fittings, various valves and hardware, plus copper pipe and fittings.

At right, Mike Holmes, a PMS plumber, stands next to the installed rainwater drain soil pipe.



## ***Abacoa Pump Project, Jupiter...***

Florida Design Contractors, West Palm Beach, has sunk five deep injection water wells at Abacoa. They purchased five Ames 6" non-surge check valves from Sun Pipe for the installation. Mary Perricone was the sales person for this project.



## ***from the editor, continued from page 1...***

The good news is that non-residential starts are strong and getting stronger. Looking at this category by segment, we find many office building projects now in construction or in the planning stage. Class A and class B office vacancies are at historical low levels and the need for more space is now being addressed. These include high-rise projects like Met 3 and Brickell Financial, mid and low rise buildings, and single story strip center office condos.

Another strong segment is K-12 school building. The 2005 Classroom Size Reduction Act dictates that more schools be built and Florida Lotto funds have assisted in financing the five year capital expansion programs. We have three more years of growth remaining under this program. University and Community College expansion is also up in our area. The hospitality segment is growing due to increased tourism in South Florida and the need to replace and upgrade older hotels and motels. Also aiding this growth is a trend to hotel-condo ownership where the hotel chain raises capital through private investments. Health care will always be a dynamic industry in Florida and we are seeing continued need for new hospitals and clinics plus remodeling the older facilities. Government building expenditures are also up. Three new institutional projects are of particular interest. Scripps Research in Jupiter, Torrey Pines Research in Port St. Lucie, and the Poinciana Biomedical Park in Opa-Locka will be providing a strong stimulus for a new bioscience industry in South Florida.

The past residential growth has also created a need for commercial and retail buildings which have been neglected. We are seeing many new "big box" stores planned or under construction near the recent housing developments. In summary, the non-residential area is the new growth area, and A&B and Sun must address this opportunity to continue growing.

Finally, the growing number of non-building starts present opportunities for water, sewer and drainage for utility infrastructure projects. This market segment is also in a current growth stage.

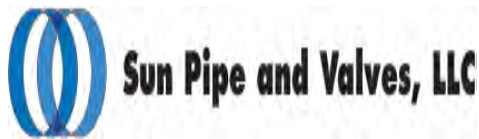


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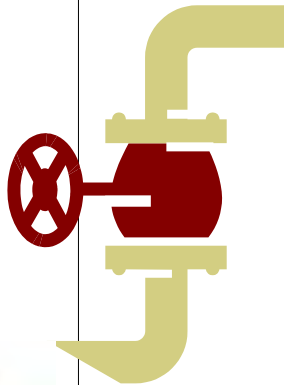
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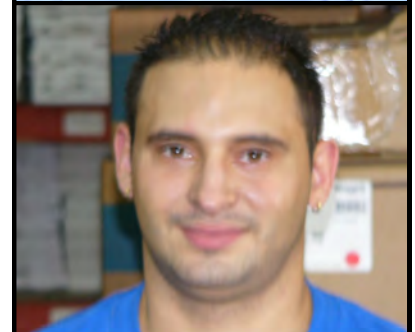


## ***Heard Around the Company.....***

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At Sun Pipe., Enrique Collazo, CEO, announced the hiring of Bill Povenz (top right photo), as Branch Manager. Bill was formerly Melbourne Branch Manager of SCP Distributors, and prior to that position, Savannah Branch Manager of Hughes Supply. Welcome aboard Bill, and best fortune to you!



Yordany Espinoza hired two new warehouse associates during July. Darian Gutierrez (middle photo) and Jose Caramazana (lower right photo) are now working in the warehouse. There certainly is a lot of work to be done fellows!

Have you looked at the Simple IRA program offered by A&B and Sun? It is a great program!

## ***Stockham Valves.....***

Last issue, we reported that Stockham had recognized A&B Pipe as one of their Top Ten Distributors. Shown below is a picture taken at the award ceremony. From left to right, Al Riverol, Manny Marin, Russell Bray, Mario Amador, John Tillman, Red Eagle Enterprises, Gary Koon, Stockham, and Arodody Morejon.

