

Dear Kitec Class Members:

The purpose of this email is to provide class members with an update on Class Counsel's settlement conference with Pulte/Del Webb that occurred this morning before Judge Stewart Bell. In preparation for this morning's settlement conference, Pulte provided Class Counsel with the total number of known Pulte homes in Clark County that were constructed with the defective Kitec plumbing system and the number of plumbing fixtures per home. Plumbing fixtures include such things as toilets (0.5 fixtures for the cold water supply line), sinks (1.0 fixture for hot and cold water supply lines), showers/tubs (1.0 fixture for cold and hot water supply lines), etc. The average home has between 10-12 plumbing fixtures. Class Counsel in turn provided this information to plumbing companies to complete a re-plumb repair cost analysis for all Pulte homes. The cost analysis is based upon (1) the total number of plumbing fixtures per Pulte model type and (2) the number of homes per Pulte model type.

At this morning's settlement conference, Class Counsel provided Pulte with a written 'Letter of Understanding' for its review and approval. This 'Letter of Understanding' is based largely upon the results of the re-plumb repair cost analysis. Judge Bell set October 5, 2007, at 9:30 am for the next settlement conference, at which time it is Class Counsel's hope that Pulte will agree to sign the 'Letter of Understanding' so that settlement terms may be finalized and scheduling of re-plumb repairs of all Pulte homes can go forward. If this occurs, Class Counsel will go before the Court for approval and provide 'Notice of Preliminary Approval of Settlement' to all Pulte homeowners. This Notice will be mailed to all affected Pulte homeowners and will include pertinent settlement information, including approved re-plumb methods of repair, warranties accompanying those repairs, and all other details of the proposed settlement.

Class Counsel will continue to keep class members informed on this issue, and on our on-going negotiations with other builders in the Kitec case. For more information on the Kitec Class Action, you may also visit [www.plumbingdefect.com](http://www.plumbingdefect.com).

Very truly yours,

J. Randall Jones

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