

DISTRICT COURT
CLARK COUNTY, NEVADA

IN RE KITEC FITTING LITIGATION

Case No.: A493302
Dept. No.: XVI
(ELECTRONIC FILING CASE)

CONSOLIDATED WITH

Case No.: A510543
Case No.: A517493
Case No.: A518156
Case No.: A523714

NOTICE OF PRELIMINARY APPROVAL OF SETTLEMENT
NOTICE OF FAIRNESS AND GOOD FAITH SETTLEMENT HEARING

Hearing Date & Time: June 6, 2008, at 9:00 a.m.

A court of law authorized this Notice. It is not from a lawyer. You are not being sued.

TO: ALL OWNERS OF RECORD OF HOMES LOCATED AT THE ADDRESSES LISTED IN EXHIBIT A TO THIS NOTICE (“SUBCLASS A”) – YOUR LEGAL RIGHTS ARE AFFECTED WHETHER YOU ACT OR DON’T ACT. PLEASE READ THIS ENTIRE NOTICE CAREFULLY.

PURPOSE OF THIS NOTICE: This Notice is being mailed to all owners of record of homes located at the addresses listed within Exhibit A to the Court filed Notice (“Subclass A”) and published pursuant to Court Order to notify Subclass A members of the following:

- A proposed Settlement resolving Subclass A claims in this case has been reached between Plaintiff Subclass A Representatives and Defendant Richmond American Homes (“Builder”) in this case.
- This proposed Settlement is only with Builder. It does not settle or release any claims you may have individually or as a member of the Subclass against other Defendants in this litigation.
- **The proposed Settlement will provide Subclass A members with a complete re-plumb (or see Section 11 herein) of the Kitec plumbing system that is currently installed at their home with a Court-approved repair.**

FAIRNESS & GOOD FAITH SETTLEMENT HEARING: The Court has issued an Order of Preliminary Approval of the Subclass A Settlement and set a Fairness and Good Faith Settlement Hearing (“Fairness Hearing”) to consider the fairness, adequacy, and reasonableness of the Subclass A Settlement. **The hearing will be held on Friday, June 6, 2008, at 9:00 a.m., at the Clark County District Court, Complex Litigation Center, 333 South Sixth Street, Las Vegas, NV, 89101.**

YOUR LEGAL RIGHTS AND CHOICES		POST MARK
WITHDRAW YOUR PRIOR REQUEST FOR EXCLUSION FROM THE CLASS (“OPT-OUT”) AND SUBMIT REQUEST TO JOIN IN ORDER TO RECEIVE REPLUMB	If you previously filed a request for exclusion from the class (“Opt-Out”), but wish to take part in this Settlement and receive the replumb (or Section 11 alternative) it provides, then you may withdraw your prior Opt-out by submitting a Request to Join Subclass A Settlement. After your Request to Join Subclass A Settlement is received, you will be eligible to receive the replumb contemplated by this Notice.	MAY 23, 2008
OBJECT TO SETTLEMENT	You may write to Class Counsel to raise concerns you have about this Settlement. Class Counsel will provide all objections to all parties and the Court.	MAY 23, 2008
APPEAR AT FAIRNESS HEARING	You can ask to speak to the Court about the fairness of the Settlement at the Fairness Hearing by submitting a Notice of Appearance.	JUNE 6, 2008, HEARING
DO NOTHING	You will not receive a replumb (or Section 11 alternative) and you give up your right to sue Builder on these claims later.	N/A

- These rights and options – **and the deadlines for each** – are explained in this Notice.
- The Court in charge of this litigation must still decide whether to approve the proposed Settlement. The replumbs contemplated by this Settlement will be made after the Court approves the Settlement and after all appeals are ruled upon.

BASIC INFORMATION

1. Why did I get this Notice?

This Notice is given to you pursuant to an Order preliminarily approving a settlement on behalf of Subclass A Plaintiffs and Builder under Rule 23 of the Nevada Rules of Civil Procedure, heard on March 26, 2008, by the Honorable Timothy C. Williams of the Eighth Judicial District Court, Clark County, Nevada. You received this Notice because you own one of the homes within Subclass A, which are listed within Exhibit A to this Notice. If you do not own one of the homes listed within Subclass A then please disregard this Notice. If you are a tenant or occupant of a home listed within Subclass A, please ensure this Notice is provided to the landlord or owner of the home. You have legal rights and choices to make before the Court decides whether to finally approve this settlement.

This notice package explains

- What this lawsuit is about.
- Your legal rights.
- What the settlement involves.
- What the benefits of this settlement are and who is eligible to receive them.

2. What is this lawsuit about?

This is a defective product, negligence, and breach of warranty case arising from allegedly defective brass plumbing fittings (“Kitec Fittings”) manufactured or distributed by or on behalf of Defendants IPEX USA, LLC, and IPEX, Inc. (collectively, “IpeX”), and installed by Defendants CLASSIC PLUMBING, INC., SHARP PLUMBING, INC., and COX & SONS PLUMBING, INC. (collectively, “Plumbers”) within homes in Clark County, Nevada. On October 16, 2006, the Court certified Plaintiffs’ claims as a Class Action. On February 6, 2008, Plaintiffs amended their complaint to add Builder as a defendant. The amended complaint filed against Builder alleges that Subclass A homes suffered injury because of the installation of Kitec Fittings by Builder and seeks damages from Builder.

3. Why is this a class action?

In a class action lawsuit, one or more people called “Representative Plaintiffs” sue on behalf of other people who have similar claims. All of these people together are known as the “Class” or “Class Members.” One Court decides all the issues in the lawsuit for all Class Members, except for those that exclude themselves from the Class. The judge hearing this class action lawsuit is the Honorable Timothy C. Williams.

4. What is a Subclass?

A Subclass is a smaller subset of a larger Class. The settlement described within this Notice only pertains to the Subclass A homes listed in Exhibit A to this Notice.

5. Why has the Subclass and Builder decided to settle?

The Court has not decided in favor of the Subclass or Builder. Builder vigorously denies any wrongdoing, violation of law, or breach of duty asserted by Plaintiffs in the class action. Builder contends that its homes were properly constructed, marketed, and sold in accordance with appropriate care, relevant standards, and “good practice;” that Class claims have no basis in law or fact; that Builder has meritorious affirmative defenses to all claims; and that the class action should be dismissed. Both sides, however, have agreed to a settlement in order to avoid the risks and costs associated with trial and to quickly provide Subclass members with a replumb (or Section 11 alternative) of their Kitec plumbing system.

6. How do I know if I am part of this Settlement?

You are part of this Settlement if: a) you own a home within Subclass A, which are listed in Exhibit A to this Notice; and b) you have not previously opted out of the class action. If you do not own one of the homes listed within Subclass A, you are not a part of this settlement. If you are a tenant of a home listed within Subclass A, please ensure that this Notice is given to the landlord or owner of the home because it concerns their legal rights and obligations. If own a home in Subclass A, but previously opted out of this class action, you may still take part in this settlement by submitting a Request to Rejoin the Class.

7. What does the Settlement provide homeowners?

The settlement will provide Subclass A members with a complete re-plumb (or Section 11 alternative) of the Kitec plumbing system currently installed in their home with a Court-approved repair.

8. What happens if this Settlement is approved by the Court?

If this Settlement is approved by the Court, then you will be notified of the Court’s final approval and provided with a Claim Form to request a replumb (or Section 11 alternative). The notice of the Court’s final approval will explain how to obtain the replumb (or Section 11 alternative) provided by the Settlement and will include the Claim Form that you will be required to return to the Claim Administrator to take part in this Settlement.

9. What happens if this Settlement is not approved by the Court?

If the Settlement is not approved by the Court at the Fairness Hearing, then the Settlement will terminate and all Subclass Members and Parties will be restored to the position they were in before the Settlement was signed.

10. How soon will the replumb be scheduled?

As soon the Court gives final approval to this Settlement, then the Claim Administrator will begin to schedule replumbs for Subclass A homes that have returned the Claim Form. It is anticipated that the replumbs for the Subclass A homes should be completed before October 30, 2009.

11. What if I already replumbed my home, or have already suffered damages from a Kitec fitting leak?

Under this settlement, you are only entitled to a replumb, you are not entitled to a monetary payment. If, however, you already replumbed your home or have suffered damage from a Kitec fitting failure, however, then you **may** be entitled to reimbursement up to a total amount of \$15,000. In order to request reimbursement for a prior replumb or damages, you must submit a Claim Form and any supporting documentation that you have to the Claim Administrator, who will then review the merits of the Claim Form and supporting documentation and provide a response to you within 60 days of receipt of the Claim Form. If the Claim Form is approved by the Claim Administrator for reimbursement, you will then be entitled to the amount provided for Replacement Plumbing within the repair schedule for your home. If you have additional out-of-pocket expenses approved by the Claim Administrator above the amount provided within the Court-approved repair schedule for your home, then you may be eligible to receive additional compensation from the Contingency Fund if funds remain after all Subclass repairs are performed and all contingency costs covered. The total reimbursement any homeowner can potentially receive to pay for a prior replumb or damages, however, is limited under this Settlement to \$15,000.00.

YOUR RIGHTS – IF YOU PREVIOUSLY OPTED OUT OF THE CLASS ACTION

12. If you previously excluded yourself as a member from the Class Action, can you get back in to accept the Settlement?

Yes, but you must first withdraw you prior “opt-out” and submit a Request to Join the Subclass A Settlement by **May 23, 2008**. A Request to Join is included within this Notice and may also be obtained from Class Counsel. If you previously opted out of this class action and do not submit the Request to Join by **May 23, 2008**, then you will not be eligible to receive the replumb (or Section 11 alternative) provided in this Settlement.

YOUR RIGHTS – IF YOU DO NOT WISH TO TAKE PART IN THIS SETTLEMENT

13. What if I don’t want to be part of this Settlement?

If you do not wish to receive the replumb provided in this Settlement, then you may exclude yourself from the Settlement by not returning the Claim Form provided in this Notice package. If you exclude yourself, then you **will not** receive a replumb (or Section 11 alternative), you **will not** be allowed to object to the Settlement at the Fairness Hearing set on **June 6, 2008, at 9:00 a.m.**, and you will give up your right to sue Builder on these claims later.

14. If I exclude myself, may I pursue a claim against Builder independently?

If you exclude yourself from this settlement, then you **will not** be entitled to pursue an independent claim against Builder concerning Kitec Fittings, although you will still possess your claims against all other defendants in this class action.

YOUR RIGHTS – OBJECTING TO THE SETTLEMENT

15. How do I tell the Court if I do not like the Settlement?

If you are a member of the Subclass A, then you can tell the Court that you do not like the Settlement or some part of it. This is called objecting to the Settlement. To object, you or your lawyer may send a letter to the Court or appear at the Fairness Hearing. **The Court, however, is entitled to approve the Settlement in spite of objections and all members of Subclass A will be bound by the Settlement.**

To send a letter to the Court or appear at the Fairness Hearing, you or your lawyer must provide all of the following:

- Entitle the letter: NOTICE OF OBJECTION OR APPEARANCE
- The name and title of this lawsuit: IN RE KITEC FITTING LITIGATION, A493302.
- State that the letter is in regard to the Richmond Subclass A Settlement.
- Your address to confirm that you are a member of Subclass A.
- A statement of each objection you have and a summary of the basis for these objections.
- A description of any law or case supporting your objections.
- A statement of whether you or your attorney will ask to appear at the Fairness Hearing to speak on your objections, and if so, how long you will require to present your objections.
- Copies of any documents that you or your attorney wish to present at the Fairness Hearing.
- **Your objection letter must be mailed and postmarked before May 23, 2008, to Class Counsel at the following address:**

Harrison, Kemp, Jones & Coulthard, LLP
3800 Howard Hughes Parkway
17th Floor
Las Vegas, NV 89169

IF YOU DO NOTHING

16. What happens if I do nothing?

If you do nothing, you will not receive a replumb and will also **give up your right to sue** Builder on these claims later. As a member of Subclass A, you will be bound by the decision of the Court even if you do not accept the Settlement. In other words, you will not be able to start a lawsuit later or be part of another lawsuit against Builder regarding the claims in this lawsuit after this Settlement. Therefore, if the Court approves this Settlement and you choose not to accept it, you will have **no** further rights against Builder, although you will still retain all rights against all other parties to this litigation.

THE LAWYERS WHO REPRESENT SUBCLASS A AND WHO NEGOTIATED THIS SETTLEMENT

17. Do I have a lawyer in this lawsuit?

When the Court first created a class action on October 16, 2006, it appointed the following attorneys to represent all members of the Class, which includes Subclass A. Together, these attorneys are called Class Counsel. ***You will not be charged for these lawyers under the Settlement.*** The names and addresses of Class Counsel are as follows:

J. Randall Jones & William L. Coulthard
Harrison, Kemp, Jones & Coulthard, LLP
Wells Fargo Tower, 17th Floor
3800 Howard Hughes Parkway
Las Vegas, NV 89169

Francis Lynch, Charles Hopper, & Sergio Salzano
Lynch, Hopper & Salzano, LLP
725 South Sixth Street
Las Vegas, NV 89101

18. How will these attorneys be paid?

Class Counsel negotiated with Builder to be paid \$1.6 million for their attorney's fees and costs as part of this Settlement. This fee **will not** reduce the amount paid by Builder to fund the replumb of Subclass A homes, but is in addition to the amount Builder has agreed to pay to replumb the Subclass A homes. The Court must approve this fee as reasonable during the Fairness Hearing.

The Court's Fairness Hearing

19. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Fairness Hearing on **June 6, 2008, at 9:00 a.m.** At this hearing, the Court will consider whether the Settlement is fair and adequate. If there are objections, the Court will consider them. The Court will also listen to people who have asked to speak at the hearing. After the hearing, the Court will decide whether to approve the Settlement. During this hearing, the Court will also consider any objection to the amount of attorney's fees and expenses.

The Fairness Hearing will be held at:

Clark County District Court
Complex Litigation Center
333 South Sixth Street
Las Vegas, NV, 89101

20. Do I have to come to the Fairness Hearing?

No, you are not required to come to the Fairness Hearing if you have no objection to the Settlement. But you are welcome to come if you wish to. If you send an objection, you are not required to attend the hearing to talk about it. As long as you mailed your written objection to Class Counsel on time, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

21. May I speak at the hearing?

You will be allowed to speak at the hearing by sending a Notice of Appearance (described above within Question 15) to Class Counsel that states you wish to appear at the Fairness Hearing and speak.

Getting More Information

22. Where can I receive more information about this Settlement?

This Notice summarizes the Settlement below. More details are in the Settlement Agreement itself, which you may obtain by contacting Class Counsel at the addresses listed above. You can also review and copy legal documents in this class action, including all Settlement documents, during regular office hours at the office of the District Court Clerk's Office, Clark County Regional Justice Center, 3rd Floor, 200 Lewis Avenue, Las Vegas, NV, 89155.

SUMMARY OF SETTLEMENT AGREEMENT

Your Review of the Settlement Agreement. The Settlement Agreement is described in general terms below. **YOU MAY ALSO REVIEW, IN CONSULTATION WITH SUCH ADVISORS, SUCH AS YOUR ATTORNEY, AS YOU DEEM APPROPRIATE, THE SETTLEMENT AGREEMENT AND ACCOMPANYING DOCUMENTS FOR A FULL EXPLANATION OF THE SETTLEMENT IN ORDER TO FAMILIARIZE YOURSELF WITH THE PRECISE TERMS OF THE SETTLEMENT AND TO DETERMINE THE EFFECT ON YOU OF THE SETTLEMENT. YOU MAY OBTAIN A COPY OF THE SETTLEMENT AGREEMENT AND ACCOMPANYING DOCUMENTS BY MAKING A WRITTEN REQUEST TO HARRISON, KEMP, JONES & COULTHARD, LLP, OR LYNCH, HOPPER & SALZANO, LLP, CLASS COUNSEL, AT THE ADDRESSES PROVIDED IN THIS PRELIMINARY NOTICE. YOU MAY ALSO REVIEW THESE DOCUMENTS AT THE CLARK COUNTY DISTRICT COURT.**

1. Claims Administrator. A third-party administrator ("Claims Administrator") – Total Class Solutions, LLC – will be ordered by the Court to administer the relief provided by the Settlement Agreement by resolving claims in a rational, responsive, cost effective and timely manner.

2. Replacement Plumbing. As a result of the Settlement, plumbing contractors approved by the Claims Administrator ("Approved Plumbing Contractors") will perform "Replacement Plumbing," as described in Sections A and B below. **THIS SETTLEMENT CONTEMPLATES THAT THE ONLY AVAILABLE REMEDY TO THE SETTLEMENT SUBCLASS MEMBERS IS TO RECEIVE THE REPLACEMENT PLUMBING WITH APPLICABLE WARRANTIES – NOT A MONETARY PAYMENT.**

A. The Replacement Plumbing will consist of the following: (a) the Approved Plumbing Contractor will drain and remove (or abandon in place, in part or in whole, as permitted by each Subclass Member) the existing Kitec Plumbing Systems at the Subclass Residences; (b) the Approved Plumbing Contractor will furnish and install a complete, fully functional, and entirely new domestic water supply system at the Subclass Residence consisting of CPVC, WIRSBO, or other Claims Administrator approved system; (c) the Approved Plumbing Contractor will repair or replace any loss, damage or injury to the Subclass Residence and other property in or on the Subclass Residence to include, by way of illustration and example only, gypsum wallboard, textures, paints, floor coverings, cabinetry, millwork and/or stucco, arising from or in any way related to their Replacement Plumbing; and (d) the Approved Plumbing Contractor will obtain all necessary permits and licenses for the completion of the Replacement Plumbing.

B. Should any Subclass Member refuse to allow the Approved Plumbing Contractor(s) to complete the Replacement Plumbing, that Subclass Member will **NOT** be entitled to any other or any further relief of any time or nature from Builder or from the Claims Administrator. However, it is the intent of the Parties that Builder (including any and all of its employees, agents, principals, representatives, stockholders, heirs, partners, joint venturers, assigns, administrators, trusts, trustees, beneficiaries, parents, related entities, owners, officers, directors, insurers, predecessors, successors in interest, subsidiaries, and/or attorneys) will be entitled to a full and complete release of the Settled Claims, regardless of whether Replacement Plumbing at all of the Subclass Residences are completed.

3. Qualified Settlement Fund. A fund will be established in accordance with Section 468B of the Internal Revenue Code of 1986, as amended, and the Regulations thereunder, as a vehicle for holding the funds to be paid by Builder and/or its insurers in settlement of the Subclass Claims (the "Qualified Settlement Fund"). Subject to the terms of the Settlement Agreement, Builder and/or its insurers will pay a total sum of **\$10,243,231.00** to the Qualified Settlement Fund for the benefit of the Settlement Subclass within thirty-one (31) days of notice of entry of a Final Order and Judgment by the Court approving the Settlement as fair, adequate, reasonable, and in the best interests of the Settlement Subclass in accordance with Rule 23(e) of the Nevada Rules of Civil Procedure. The Qualified Settlement Fund will be allocated in accordance with the following:

A. Replumb Fund. **\$7,328,440.00** of the Qualified Settlement Fund will be designated as the "Replumb Fund" to cover all costs for, arising from or in any way related to the Replacement Plumbing at the Subclass Residences.

A.1 In the limited circumstance where a Subclass Member, or his agent or representative, has, prior to the Formal Fairness Hearing, replaced their original Kitec Plumbing System with an alternative and approved system (to be administered and subject to the approval of the Claims Administrator), or has incurred monetary damages caused by a failure of the Kitec Plumbing System, then that Subclass Member will be entitled to either: a) Replacement Plumbing; or b) reimbursement of the amount equal to the Replacement Plumbing cost provided within the repair schedule for Subclass A homes. **IN NO EVENT WILL A SUBCLASS MEMBER BE ENTITLED TO RECEIVE REPLACEMENT PLUMBING AND A REIMBURSEMENT FOR A PRIOR REPLUMB OF THEIR ORIGINAL KITEC PLUMBING SYSTEM.**

A.2 If funds remain after all Subclass repairs are performed and all contingency costs are paid, then the Claims Administrator may further reimburse Subclass Members who have monetary damages above the Replacement Plumbing cost provided within the repair schedule for Subclass A homes, up to the total amount of \$15,000 (Replacement Plumbing cost provided within the repair schedule for Subclass A homes plus additional reimbursement amount). In order to qualify for a reimbursement, the Subclass Member must submit a claim form ("Claim Form") to the Claims Administrator and the Claims Administrator will review the merits of the Claim Form, and provide a response to the Subclass Member within 60 days of receipt of the Claim Form. The Claim Form will be mailed to each Subclass Member following the Final Fairness Hearing.

B. Contingency Fund. \$1,099,266.00 of the Qualified Settlement Fund, which is equal to fifteen (15) percent of the Replumb Fund, will be designated as the "Contingency Fund," and will serve to cover: (a) the Parties' best estimate of the unforeseen costs arising from or in any way related to the Replacement Plumbing or any other Work by the Approved Plumbing Contractor(s), which include, by way of illustration and example only, costs of faux paint, wallpaper, ceramic tile, or other custom finishes not covered by the Replacement Plumbing; (b) any other design, engineering, construction, repairs, replacement, or inspection performed at the Subclass Residences under and/or pursuant to the Settlement Agreement ("Work") by the Approved Plumbing Contractor(s); (c) the Parties' best estimate of the costs incurred by Subclass Members for emergency repairs necessitated by leaks, breaks or failures within the Kitec plumbing fittings that may occur before the Replacement Plumbing has been, or can be, completed in the normal course of the Replacement Plumbing; and (d) the cost of reimbursements as described within Section 3(A)(A.1).

C. Claims Administration Fund. \$215,525 of the Qualified Settlement Fund will be designated as the "Claims Administration Fund" to pay for the cost of services provided by the Claims Administrator under the Settlement Agreement. These services include, but are not limited to, the following: Payment from the designated Replumb Fund to Approved Plumbing Contractors; construction control; auditing of the Qualified Settlement Fund; dispute resolution between Approved Plumbing Contractors and Subclass Members; repair/Replacement Plumbing scheduling; and quality control.

D. Class Counsel's Fees and Costs. \$1,600,000.00 of the Qualified Settlement Fund will be paid to Class Counsel for Class Counsel's fees and costs, which will be paid in two installments: \$1,300,000.00 will be paid to Class Counsel following final approval of this Settlement, and \$300,000.00 will be paid to Class Counsel following completion of the replumb process for all Subclass A homes.

4. Accrued Interest and Residual Balance on Qualified Settlement Fund. Within 30 days of the conclusion of the Replacement Plumbing process, any and all residual balance in the Qualified Settlement Fund, including all interest income generated by the Qualified Settlement Fund, will be paid back to Builder or its designee(s).

5. Warranty. Replacement Plumbing and all other Work performed, including the issuance of a warranty for the Replacement Plumbings and Work, at a Subclass Residence under the Settlement Agreement will be accomplished at the direction of the Claims Administrator. Neither Builder, Class Counsel, nor the Claim Administrator guarantee nor warrant the workmanship and/or materials of any person, contractor (including the Approved Plumbing Contractor), supplier or manufacturer performing such Replacement Plumbings and/or Work. Each Subclass Member will look solely to the persons' contractors' (including the Approved Plumbing Contractors'), suppliers' and/or manufacturers' guarantees and warranties, if any, as the sole and exclusive guarantors and/or warrantors for the Settlement Agreement, the Replacement Plumbing and/or all other Work.

6. Settled Claims. Settled Claims mean any and all claims, liabilities, rights, demands, suits, matters, obligations, losses, damages, injuries or costs, actions or causes of action, of every kind, whether known or unknown, asserted or unasserted, suspected or unsuspected, latent or patent, that have been, are now, could have been, or could be in the future asserted by the Subclass Representative and any and/or Subclass Members and their respective successors, assigns, agents, invitees, guests, attorneys and representatives and any person who has or may have in the future any interest in any of the Subclass Residences (including by way of transfer or assignment) either in the Class Action or in any other action or proceeding in the Court or any other court or forum, regardless of legal theory, against Builder for relief, damages, costs, expenses, attorneys' fees, or compensation of any kind arising from or in any way related to the Amended Complaint and/or the Class Action and/or any and all claims to receive damages, costs, or remedies associated with the failure of the Kitec Plumbing Systems at any of the Subclass Residences and any claim for relief or compensation by the Representative Plaintiff and/or any members of the Settlement Subclass, including but not limited to, claims to receive damages, monies, payments, fees, costs, repair or replacement of the Kitec Plumbing Systems at the Subclass Residences and/or the Replacement Plumbing.

A. Without limiting the generality of the foregoing, Settled Claims include, with regard to the foregoing subject matter: (a) any claim for breach or violation of any federal, state, common or other law; (b) any claim for breach of any duty imposed by law, by contract or otherwise; (c) any claim based on strict product liability, negligence, breach of express or implied warranty, fraud, negligent misrepresentation, and/or intentional misrepresentation relating to the Kitec plumbing system; (d) any claim for construction deficiencies relating to the Kitec plumbing system based on Nevada Revised Statutes Section

40.600, et seq; and (e) any claim for consequential damages relating to or caused by the KITEC PLUMBING SYSTEMS including, but not limited to, claims relating to mold caused by the KITEC PLUMBING SYSTEMS.

B. This Settlement does not address or contemplate any claims for personal injury.

7. Dismissal of the Amended Complaint. Within five (5) days after notice of entry of an Order by the Court approving the Settlement as fair, adequate, reasonable, and in the best interests of the Subclass Members in accordance with Rule 23(e) of the Nevada Rules of Civil Procedure, and full payment by Builder of the Qualified Settlement Fund, the Amended Complaint against Builder will be dismissed with prejudice.

8. Assignment of Claims to Builder. As a result of the Settlement, all rights to the Subclass Members' claims, actions and/or causes of action against any and all parties including, but not limited to, Classic Plumbing, Inc., Majestic Plumbing, Inc., IPEX, Inc., IPEX USA, LLC, Ferguson Enterprises, Inc., Standard Wholesale Supply Company, and Todd Pipe & Supply – Las Vegas, Inc., arising from the Settled Claims and any claims for relief or compensation by the Subclass Representative and/or any Subclass Member, including, but not limited to, claims to receive damages, monies, payments, fees, costs, repair or replacement of the Kitec Plumbing Systems at the Subclass Residences and or the Replacement Plumbing, and any and all claims to receive damages, costs, or remedies associated with the failure of the Kitec Plumbing Systems at any of the Subclass Residences, will be deemed assigned, conveyed and transferred, without limitation, to Builder up to the amount paid by Builder in this Settlement. Said assignment includes, without limitation, the total monetary amount of the Qualified Settlement Fund paid by Builder plus the total costs incurred by Builder in making repairs and/or conducting replumbs at all homes that are subject to this Settlement, as well as the Subclass Members' claims and standing as member of the putative class in the Class Action. Under this Assignment, Builder is entitled to first priority to any recovery against any third-party or from any collateral source (including, but not limited to, by way of example, settlement proceeds from Ipex and Classic Plumbing relating for the Settlement Residences) up to the total monetary amount paid by Builder in this Settlement. **If Subclass Members are not fully compensated by this Settlement, they will retain all rights and claims against any other potential party or defendant in this action other than Builder above and beyond the total amount paid by Builder in this Settlement.**

9. Releases. As a result of the Settlement, the Subclass Representative and the Subclass Members, by and through the Subclass Representative, on their own behalves, on behalf of their related individuals and entities, successors, assigns, agents, attorneys and representatives, and for each of them, and for any person or entity that could possibly assert any claims for relief or compensation through or under them, including, but not limited to, claims to receive damages, monies, payments, fees, costs, repair or replacement of the Kitec Plumbing Systems at the Subclass Residences and or the Replacement Plumbing, and any and all claims to receive damages, costs, or remedies associated with the failure of the Kitec Plumbing Systems at any of the Subclass Residences, will be deemed to have – following approval of the Settlement by the Court under Nevada Rule of Civil Procedure 23(e) and payment by Builder of the Qualified Settlement Fund – fully, finally and generally released, acquitted, forever discharged, and absolved, except as specifically provided for herein, Builder (including any and all of its employees, agents, principals, representatives, stockholders, heirs, partners, joint venturers, assigns, administrators, trusts, trustees, beneficiaries, parents, related entities, owners, officers, directors, insurers, predecessors, successors in interest, subsidiaries, and/or attorneys) from any and all conceivable losses, damages or injuries arising from or in any way related to the Settled Claims, including, without limitation, manner of action or actions, cause or causes of action, claims, demands, damages, losses, costs or expenses, whether known or unknown, fixed or contingent, asserted or unasserted, foreseeable or unforeseeable, liquidated or unliquidated, unanticipated or unsuspected, which claims were asserted, or may be asserted in the future, that the Subclass Members and the Subclass Representative has or may have against the Builder (and any and all of its employees, agents, principals, representatives, stockholders, heirs, partners, joint venturers, assigns, administrators, trusts, trustees, beneficiaries, parents, related entities, owners, officers, directors, insurers, predecessors, successors in interest, subsidiaries, and/or attorneys), arising from or in any way related to the use and/or installation of the Kitec Plumbing Systems at the Subclass Residences, including the claims alleged in the Amended Complaint filed on or about February 6, 2008, in the Class Action.

A. Pursuant to the Settlement Agreement, the Subclass Members reserve any claims, rights, or remedies against any Approved Plumbing Contractor, material supplier, or any other third-party arising from or in any way related to the Work for the Replacement Plumbings.

B. Subclass Representative and Subclass Members, by and through their Subclass Representative, recognize that they may have some claim, demand, or cause of action against the Builder (including any and all of its employees, agents, principals, representatives, stockholders, heirs, partners, joint venturers, assigns, administrators, trusts, trustees, beneficiaries, parents, related entities, owners, officers, directors, insurers, predecessors, successors in interest, subsidiaries, and/or attorneys) of which they are totally unaware and unsuspecting, which they are giving up by execution of the Settlement Agreement. It is the intention of the Subclass Representative in executing the Settlement Agreement that it will deprive Subclass Representative and the Subclass Members and their related individuals and entities of each such claim, demand or cause of action and prevent them from asserting it against the Builder (and any and all of its employees, agents, principals, representatives, stockholders, heirs, partners, joint venturers, assigns, administrators, trusts, trustees, beneficiaries, parents, related entities, owners, officers, directors, insurers, predecessors, successors in interest, subsidiaries, and/or attorneys).

C. The facts upon which the Settlement Agreement is made may turn out to be other than, or different from, the facts now believed by the Settlement Subclass to be true, and the Subclass Members and Subclass Representative therefore expressly assume the risk of the facts turning out to be different than they believed them to be. Subclass Representative and Subclass also agree that the Settlement Agreement will in all respects be effective and not subject to termination or rescission because of any such mistaken belief by the Subclass Members.

E. Builder (and any and all of its employees, agents, principals, representatives, stockholders, heirs, partners, joint venturers, assigns, administrators, trusts, trustees, beneficiaries, parents, related entities, owners, officers, directors, insurers, predecessors, successors in interest, subsidiaries, and/or attorneys) will not be subject to liability or expense of any kind to Subclass Representative or any Subclass Members arising from or in any way related to any Settled Claim, except as provided herein this Section E. Upon entry of a Final Order and Judgment by the Court approving the Settlement as fair, adequate, reasonable, and in the best interests of the Settlement Subclass in accordance with Rule 23(e) of the Nevada Rules of Civil Procedure, Subclass Representative and each and all of the Subclass Members will be barred from initiating, asserting, or prosecuting any Settled Claims against Builder (and any and all of its employees, agents, principals, representatives, stockholders, heirs, partners, joint venturers, assigns, administrators, trusts, trustees, beneficiaries, parents, related entities, owners, officers, directors, insurers, predecessors, successors in interest, subsidiaries, and/or attorneys)

TO RECEIVE THE REPLACEMENT PLUMBING OR COMPENSATION PROVIDED BY THIS SETTLEMENT, YOU MUST COMPLETE AND SUBMIT A CLAIM FORM, WHICH WILL BE MAILED TO YOU FOLLOWING THE FAIRNESS HEARING AND FINAL APPROVAL OF THE COURT OF THIS SETTLEMENT.