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Del Webb Corporation

Nevada Communities

May 8, 2003

Dear Nevada State Assembly member:

Pulte Homes/Del Webb Communities ardently supports S.B. 241 and the protection it offers Nevada homeowners. Our support of the Bill has been unwavering but holds greater importance to us today more than ever as we are presently experiencing a situation with construction defect attorneys in one of our active adult communities. With respect to your time, I will try to summarize the situation in as brief a manner as possible.

In December of last year the Board of Directors at Sun City MacDonald Ranch retained the construction defect law firm of Angius & Terry to perform destructive testing on the community center, single-family homes and duplex homes.

When Del Webb discovered the testing was being conducted, we called a Board member to ask why the Board had not contacted us if they were experiencing problems. The Board member told us that they had voted 4 to 3 to retain the attorneys, of which he was not in favor as Del Webb had always been responsive to the Board's needs in the past.

We began immediately communicating to the Board to request a meeting to discuss any concerns that may exist. Despite being chastised by Angius & Terry for attempting to resolve the problems directly with the Board, we have never ceased making this request while stressing that with communication discerning people can resolve any problem.

We also began communicating to our Sun City MacDonald Ranch homeowners and copying them on the correspondence sent to the Board and its attorneys. While Angius & Terry and the Board chastised us for also communicating with the membership, the homeowners felt they had the right to know what was going on. Further, they were adamant about voicing their opposition to litigation to the Board and were concerned as to why the Board would not meet with us.

During this time Angius & Terry revealed to us only one problem pertaining to mold in the showers of the recreation center, although they assured us their destructive testing report would reveal hundreds of defects. Since January, we have offered to first remediate and then repair the mold in the showers but have been denied access by the Board's attorneys. Our contractors even arrived to perform repairs as scheduled by the attorneys only to be turned away, as Angius & Terry discovered they had inadvertently failed to demand we pay their fees associated with the showers. Later we did agree to pay their fees as well as the investigative consulting fees associated with the showers in an attempt to resolve the problem. To this day they have declined to let us repair the showers and the mold has been allowed to continue growing.

Over the course of these past six months Del Webb has made numerous offers to the Board and its attorneys including offering to pay for the remediation and repair of the mold in the recreation center showers, paying for the legal fees and investigative consultant fees associated with the showers, reviewing the destructive testing report within 30 days and providing a proposal for repair, co-authoring a letter to the membership to avoid miscommunication, and participating jointly in a meeting of the membership to hopefully display the Board's willingness to work with Del Webb to resolve the problems.

11500 So. Eastern Ave., Henderson, NV
Tel 702.914.4900 Fax 702.9

ASSEMBLY JUDICIARY

DATE: 5-8-03 ROOM 3138 EXHIBIT 0

SUBMITTED BY: Thelma Bartlett

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On April 7, we even agreed to pay for the legal fees Angius & Terry had incurred up to that point if the Board would work with us to resolve any issues without litigation.

Further, on that same date we agreed to reimburse the Board some additional expenses. The Board had sent a letter to the membership claiming that the reason they decided to retain the lawyers was because they had incurred some investigative costs in the past couple of years for two construction problems that Del Webb ended up repairing, but failed to pay for the investigative costs associated with the repairs. We disagree with these claims, however if by chance it is correct, we will assume all responsibility for the costs incurred. As such, we requested that the Board forward any receipts or invoices for prompt reimbursement. It has been a month since the offer was made and we have yet to receive any receipts or invoices.

At the suggestion of a Sun City MacDonald Ranch homeowner who is a retired corporate attorney, we made yet another offer to the Board on April 23. The offer proposed that the Sun City MacDonald Ranch Board of Directors and Del Webb work together for a 90-day period to resolve the issues. We would each ask our attorneys to remove themselves from the resolution process for this designated time period. If after 90 days we are not successful, Del Webb would understand the Board's need to have its attorneys pursue a legal remedy.

We were never given a response from the Board on this offer or any of the above offers. Needless to say, in light of our attempts to communicate with the Board and our offers to resolve the situation without litigation, we are convinced that Angius & Terry are the major barrier to Del Webb and the Board resolving the problems that may exist.

Unfortunately, even today we are still uncertain of what construction issues the Board would like Del Webb to resolve. The only construction problem that Angius & Terry has requested Del Webb repair thus far is the mold in the recreation center showers.

Hundreds of homeowners at Sun City MacDonald Ranch have expressed their anger over the Board's decision to pursue legal remedy. They have begun circulating a petition among their neighbors against the pending litigation. They have told us they feel victimized because the Board will not listen to them and are making decisions that the homeowners feel will be detrimental to the value of their homes and the community.

Del Webb has been building quality homes for over 42 years and is committed to protecting our homeowners' investment and our quality reputation. You'll often hear the words "do the right thing" expressed by Del Webb employees because it's how we conduct ourselves in business.

We appeal to each State Assembly member to pass S.B. 241 to ensure that homebuilders, attorneys and homeowner associations do the right thing for Nevada homeowners.

Sincerely,



Chris Haines
President

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