IN THE SUPREME COURT OF THE STATE OF NEVADA

ZURICH AMERICAN INS. CO., et al.

Plaintiffs - Appellants

v.

IRONSHORE SPECIALTY INS. CO.

Defendant - Respondent

Case No.: 81428

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APPELLANTS' APPENDIX
Volume V

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Case No. 81428

Appellants' Appendix – Index

Volume	Description	Page
6	Amended Third Party Complaint filed in Seven Hills, Exhibit 36 in Support of Zurich's Motion for Summary Judgment	1259-1272
16-17	Answer and Third Party Complaint in the *Garcia* action dated September 30, 2010, Exhibit 98 in Support of Ironshore's Motion for Summary Judgment	3999-4021
13	Answer and Third-Party Complaint filed by William Lyon Homes, Inc. on February 18, 2011, in the *Stallion Mountain* action, Exhibit 58 in Support of Ironshore's Motion for Summary Judgment	3191-3208
1	Answer of Ironshore to First Amended Complaint filed 04/02/15	0046-0087
1	Answer of Ironshore to Second Amended Complaint filed 10/14/15	0132-0180
18	Answer of KB Home Nevada Inc. and Third-Party Complaint filed on November 23, 2010, in the *Sanchez* action , Exhibit 118 in Support of Ironshore's Motion for Summary Judgment	4272-4309
16	Answer to Complaint for Damages and Third-Party Complaint filed by D.W. Arnold, Inc. on May 31, 2013, in the *Clark* action, Exhibit 91 in Support of Ironshore's Motion for Summary Judgment	3848-3871
8-20	Appendix (Exs. 1-162) In Support of Ironshore's Motion for Summary Judgment filed 09/19/16	1955-1970 3085-3100 4071-4086
1-8	Appendix (Exs. 1-75) In Support of Zurich's Motion for Partial Summary Judgment filed 09/16/16	0211-0214
9	Burkett & Wong preliminary defects list August 1, 2008, Exhibit 8 in Support of Ironshore's Motion for Summary Judgment	2151-2154
5	Chapter 40 Notice served in Mohan, Exhibit 33 in Support of Zurich's Motion for Summary Judgment	1236-1238

20	Claim Summary Report for Cedco/*Anthem* dated November 11, 2013 , Exhibit 142 in Support of Ironshore's Motion for Summary Judgment	4756-4762
20	Claim Summary Report for Cedco/*Mohan* dated February 1, 2012 , Exhibit 144 in Support of Ironshore's Motion for Summary Judgment	4769-4773
20	Claim Summary Report for Cedco/*Seven Hills* dated February 4, 2013 , Exhibit 143 in Support of Ironshore's Motion for Summary Judgment	4763-4768
20	Claim Summary Report for Champion Masonry/*Marcel* dated August 11, 2014 , Exhibit 158 in Support of Ironshore's Motion for Summary Judgment	4880-4884
20	Claim Summary Report for Debard Plumbing/*Drost* dated November 21, 2012 , Exhibit 145 in Support of Ironshore's Motion for Summary Judgment	4774-4778
20	Claim Summary Report for Debard Plumbing/*Lino* dated August 26, 2014 , Exhibit 147 in Support of Ironshore's Motion for Summary Judgment	4800-4804
20	Claim Summary Report for Debard Plumbing/*Wikey* dated December 2, 2013 , Exhibit 149 in Support of Ironshore's Motion for Summary Judgment	4837-4842
20	Claim Summary Report for JP Construction/*Casallas* dated August 20, 2014 , Exhibit 156 in Support of Ironshore's Motion for Summary Judgment	4872-4875
20	Claim Summary Report for Laird Whipple/*Bennett* dated September 27, 2012 , Exhibit 151 in Support of Ironshore's Motion for Summary Judgment	4845-4850
20	Claim Summary Report for PR Construction/*Boyer* dated May 19, 2014 , Exhibit 160 in Support of Ironshore's Motion for Summary Judgment	4891-4895
20	Claim Summary Report for R.A.M.M. Corporation/*Sanchez* dated February 25, 2013 , Exhibit 159 in Support of Ironshore's Motion for Summary Judgment	4885-4890
20	Claim Summary Report for Stewart & Sundell/*Anthem* dated February 10, 2014 , Exhibit 153 in Support of Ironshore's Motion for Summary Judgment	4854-4859
20	Claim Summary Report for Stewart & Sundell/*Stallion Mountain* dated July 8, 2011 , Exhibit 154 in Support of Ironshore's Motion for Summary Judgment	4860-4865

20	Claim Summary Report for Stewart & Sundell/*Sun City* dated July 24, 2012 , Exhibit 155 in Support of Ironshore's Motion for Summary Judgment	4866-4871
20	Claim Summary Report for Universal Framing/*Clark* dated November 14, 2013 , Exhibit 157 in Support of Ironshore's Motion for Summary Judgment	4876-4879
18	Close of Escrow Matrix , Exhibit 128 in Support of Ironshore's Motion for Summary Judgment	4496-4498
5	Complaint filed in Anthem, Exhibit 31 in Support of Zurich's Motion for Summary Judgment	1192-1216
7	Complaint filed in Anthem, Exhibit 56 in Support of Zurich's Motion for Summary Judgment	1597-1621
6-7	Complaint filed in Bennett, Exhibit 52 in Support of Zurich's Motion for Summary Judgment	1499-1534
6	Complaint filed in Casallas, Exhibit 50 in Support of Zurich's Motion for Summary Judgment	1456-1479
7-8	Complaint filed in Clark, Exhibit 62 in Support of Zurich's Motion for Summary Judgment	1717-1753
6	Complaint filed in Drost, Exhibit 44 in Support of Zurich's Motion for Summary Judgment	1369-1382
6	Complaint filed in Marcel, Exhibit 42 in Support of Zurich's Motion for Summary Judgment	1341-1355
5-6	Complaint filed in Seven Hills, Exhibit 35 in Support of Zurich's Motion for Summary Judgment	1242-1258
7	Complaint filed in Stallion Mountain, Exhibit 58 in Support of Zurich's Motion for Summary Judgment	1641-1651
7	Complaint filed in Sun City, Exhibit 60 in Support of Zurich's Motion for Summary Judgment	1672-1683
6	Complaint filed in Wikey, Exhibit 48 in Support of Zurich's Motion for Summary Judgment	1427-1439
11	Complaint filed on December 29, 2011, in the Lino action, Exhibit 27 in Support of Ironshore's Motion for Summary Judgment	2588-2599
9	Complaint filed on February 3, 2011, in *Anthem* action, Exhibit 5 in Support of Ironshore's Motion for Summary Judgment	2104-2128

14	Complaint filed on January 22, 2010, in the *Sun City* action, Exhibit 66 in Support of Ironshore's Motion for Summary Judgment	3285-3296
17	Complaint filed on January 5, 2012, in the *Marcel* action , Exhibit 110 in Support of Ironshore's Motion for Summary Judgment	4121-4135
12	Complaint filed on March 3, 2008 in the *Bennett* action, Exhibit 40 in Support of Ironshore's Motion for Summary Judgment	2835-2899
16	Complaint filed on May 20, 2013, in the *Clark* action, Exhibit 90 in Support of Ironshore's Motion for Summary Judgment	3810-3847
11	Complaint filed on October 23, 2012, in the *Drost* action, Exhibit 22 in Support of Ironshore's Motion for Summary Judgment	2543-2554
13	Complaint filed on September 18, 2009, in the *Stallion Mountain* action, Exhibit 57 in Support of Ironshore's Motion for Summary Judgment	3180-3190
13	Complaint for Damages filed on February 3, 2011, in the *Anthem* action, Exhibit 52 in Support of Ironshore's Motion for Summary Judgment	3113-3137
17	Correspondence between Midlands and Ironshore dated November 1, 2012, Exhibit 106 in Support of Ironshore's Motion for Summary Judgment	4087-4090
8	Declaration of Mary Frances Nolan In Support of Ironshore's Motion for Summary Judgment filed 09/19/16	1896-1948
8	Declaration of Philip D. Witte In Support of Ironshore's Motion for Summary Judgment filed 09/19/16	1949-1954
1	Declaration of William Reeves In Support of Zurich's Motion for Partial Summary Judgment filed 09/16/16	0205-0210
8	Declaration William C. Morison In Support of Ironshore's Motion for Summary Judgment filed 09/19/16	1890-1895
5	Denial Letter (Cedco/Anthem), Exhibit 14 in Support of Zurich's Motion for Summary Judgment	1005-1017

5	Denial Letter (Cedco/Mohan), Exhibit 15 in Support of Zurich's Motion for Summary Judgment	1018-1026
5	Denial Letter (Cedco/Seven Hills), Exhibit 16 in Support of Zurich's Motion for Summary Judgment	1027-1035
5	Denial Letter (Centex Homes/Garcia), Exhibit 17 in Support of Zurich's Motion for Summary Judgment	1036-1049
5	Denial Letter (Champion Masonry/Marcel), Exhibit 18 in Support of Zurich's Motion for Summary Judgment	1050-1059
5	Denial Letter (Debard Plumbing/Drost), Exhibit 19 in Support of Zurich's Motion for Summary Judgment	1060-1072
5	Denial Letter (Debard Plumbing/Lino), Exhibit 20 in Support of Zurich's Motion for Summary Judgment	1073-1081
5	Denial Letter (Debard Plumbing/Wikey), Exhibit 21 in Support of Zurich's Motion for Summary Judgment	1082-1090
5	Denial Letter (JP Construction/Casallas), Exhibit 22 in Support of Zurich's Motion for Summary Judgment	1091-1103
5	Denial Letter (JP Construction/Casallas), Exhibit 23 in Support of Zurich's Motion for Summary Judgment	1104-1116
5	Denial Letter (Laird Whipple/Bennett), Exhibit 24 in Support of Zurich's Motion for Summary Judgment	1117-1125
5	Denial Letter (Laird Whipple/Bennett), Exhibit 25 in Support of Zurich's Motion for Summary Judgment	1126-1134
5	Denial Letter (PR Construction/Boyer), Exhibit 26 in Support of Zurich's Motion for Summary Judgment	1135-1147
5	Denial Letter (Stewart & Sundell), Exhibit 29 in Support of Zurich's Motion for Summary Judgment	1172-1180
5	Denial Letter (Stewart & Sundell/Anthem), Exhibit 27 in Support of Zurich's Motion for Summary Judgment	1148-1159
5	Denial Letter (Stewart & Sundell/Stallion Mountain), Exhibit 28 in Support of Zurich's Motion for Summary Judgment	1160-1171
5	Denial Letter (Universal Framing/Clark), Exhibit 30 in Support of Zurich's Motion for Summary Judgment	1181-1191
16	Disclaimer letter from Certus to Universal Framing dated July 12, 2013, Exhibit 94 in Support of Ironshore's Motion for Summary Judgment	3880-3890

10	Disclaimer letter from Midlands to Cedco dated December 21, 2011, Exhibit 20 in Support of Ironshore's Motion for Summary Judgment	2472-2480
9-10	Disclaimer letter from Midlands to Cedco dated March 11, 2013, Exhibit 11 in Support of Ironshore's Motion for Summary Judgment	2240-2252
17	Disclaimer letter from Midlands to Champion Masonry dated September 15, 2010, Exhibit 103 in Support of Ironshore's Motion for Summary Judgment	4060-4068
11	Disclaimer letter from Midlands to Debard Plumbing dated January 25, 2011, Exhibit 36 in Support of Ironshore's Motion for Summary Judgment	2665-2673
11	Disclaimer letter from Midlands to Debard Plumbing dated November 5, 2012, Exhibit 26 in Support of Ironshore's Motion for Summary Judgment	2575-2587
11	Disclaimer letter from Midlands to Debard Plumbing December 13, 2011, Exhibit 33 in Support of Ironshore's Motion for Summary Judgment	2630-2638
14	Disclaimer letter from Midlands to Helm & Associates August 26, 2010, Exhibit 62 in Support of Ironshore's Motion for Summary Judgment	3256-3264
10	Disclaimer letter from Midlands to Helm & Associates dated April 26, 2010, Exhibit 17 in Support of Ironshore's Motion for Summary Judgment	2388-2396
15	Disclaimer letter from Midlands to JP Construction dated June 21, 2012, for policy effective February 18, 2008-2009, Exhibit 85 in Support of Ironshore's Motion for Summary Judgment	3656-3668
15	Disclaimer letter from Midlands to JP Construction dated June 21, 2012, for policy effective February 18, 2009-2010, Exhibit 86 in Support of Ironshore's Motion for Summary Judgment	3669-3681
15	Disclaimer letter from Midlands to JP Construction dated June 21, 2012, for policy effective February 18, 2010-2011, Exhibit 87 in Support of Ironshore's Motion for Summary Judgment	3682-3694
14	Disclaimer letter from Midlands to Koeller Nebeker and disclaimer letter from Midlands to Helm & Associates dated May 28, 2010, Exhibit 70 in Support of Ironshore's Motion for Summary Judgment	3340-3356

17	Disclaimer letter from Midlands to Lee, Hernandez law firm dated November 6, 2012 , Exhibit 107 in Support of Ironshore's Motion for Summary Judgment	4091-4104
12	Disclaimer letter from Midlands to Southwest Foundations dated May 27, 2011 for policy effective April 15, 2010-2011, Exhibit 46 in Support of Ironshore's Motion for Summary Judgment	2941-2950
12	Disclaimer letter from Midlands to Southwest Foundations dated May 27, 2011 for policy effective April 15, 2009-2010, Exhibit 45 in Support of Ironshore's Motion for Summary Judgment	2933-2941
13	Disclaimer letter from Midlands to Stewart & Sundell dated November 17, 2009, Exhibit 51 in Support of Ironshore's Motion for Summary Judgment	3101-3112
11	Email from Zurich to Midlands dated November 29, 2011, Exhibit 31 in Support of Ironshore's Motion for Summary Judgment	2624-2625
20	Excerpt from claim notes of Plaintiffs' adjuster regarding Debard Plumbing/*Lino* dated January 25, 2012 , Exhibit 161 in Support of Ironshore's Motion for Summary Judgment	4896-4897
13	Excerpt from Claim Notes recording receipt of November 24, 2008 letter from counsel for Terravita Home Construction Company to Stewart & Sundell, Exhibit 49 in Support of Ironshore's Motion for Summary Judgment	3077-3079
18	Excerpt from the Midlands adjuster's claim notes incorporating an email dated August 22, 2012 , Exhibit 127 in Support of Ironshore's Motion for Summary Judgment	4494-4495
19	Excerpt from the Midlands adjuster's claim notes incorporating an email dated August 22, 2012 , Exhibit 130 in Support of Ironshore's Motion for Summary Judgment	4517-4518
13	Excerpt of Midlands Claim Notes for this claim, Exhibit 55 in Support of Ironshore's Motion for Summary Judgment	3162-3165
14	Excerpt of Midlands Claim Notes, Exhibit 64 in Support of Ironshore's Motion for Summary Judgment	3269-3271
8	Excerpts of Deposition of Ironshore PMK taken in NV1, Exhibit 66 in Support of Zurich's Motion for Summary Judgment	1786-1801

8	Excerpts of Deposition of Ironshore PMK taken in this case, Exhibit 67 in Support of Zurich's Motion for Summary Judgment	1802-1836
19	Excerpts of October 2, 2015 certified deposition transcript of Bettyann Canzone , Exhibit 140 in Support of Ironshore's Motion for Summary Judgment	4714-4722
19-20	Excerpts of October 2, 2015 certified deposition transcript of Bryan Key , Exhibit 141 in Support of Ironshore's Motion for Summary Judgment	4723-4755
19	Excerpts of September 28, 2015 certified deposition transcript of Andra Byrd , Exhibit 135 in Support of Ironshore's Motion for Summary Judgment	4559-4579
19	Excerpts of September 28, 2015 certified deposition transcript of Brett Richardt , Exhibit 136 in Support of Ironshore's Motion for Summary Judgment	4580-4632
19	Excerpts of September 28, 2015 certified deposition transcript of Douglas Westhoff , Exhibit 137 in Support of Ironshore's Motion for Summary Judgment	4633-4662
19	Excerpts of September 29, 2015 certified deposition transcript of Rachael Crammer , Exhibit 138 in Support of Ironshore's Motion for Summary Judgment	4663-4687
19	Excerpts of September 29, 2015 certified deposition transcript of Elizabeth Del Rosario , Exhibit 139 in Support of Ironshore's Motion for Summary Judgment	4688-4713
9	Excerpts of various Subcontracts between Cedco and Terravita Home Construction, Exhibit 9 in Support of Ironshore's Motion for Summary Judgment	2155-2235
15	First Amended Class Action Construction Defect Complaint filed on January 7, 2011, in the *Casallas* action, Exhibit 74 in Support of Ironshore's Motion for Summary Judgment	3520-3534
6	First Amended Complaint filed in Garcia, Exhibit 37 in Support of Zurich's Motion for Summary Judgment	1273-1304
6	First Amended Complaint filed in Lino, Exhibit 46 in Support of Zurich's Motion for Summary Judgment	1396-1408
17-18	First Amended Complaint filed on November 1, 2010, in the *Sanchez* action , Exhibit 117 in Support of Ironshore's Motion for Summary Judgment	4240-4271

16	First Amended Construction Complaint filed on September 8, 2010, in the *Garcia* action, Exhibit 97 in Support of Ironshore's Motion for Summary Judgment	3957-3998
20	First page of declaration pages of policies insuring Tom Hopson dba Universal Framing or Universal Framing LLC issued by one or more Plaintiffs , Exhibit 162 in Support of Ironshore's Motion for Summary Judgment	4898-4903
20	Homeowner Matrix for Laird Whipple/*Bennett* , Exhibit 152 in Support of Ironshore's Motion for Summary Judgment	4851-4853
15	Homeowners Matrixes (2) , Exhibit 81 in Support of Ironshore's Motion for Summary Judgment	3621-3643
17	Homeowners/Close of Escrow Matrix, Exhibit 99 in Support of Ironshore's Motion for Summary Judgment	4022-4036
4	Ironshore Policy No. 000115801 (PR Construction), Exhibit 10 in Support of Zurich's Motion for Summary Judgment	0762-0818
18	Ironshore policy no. 000115801, issued to PR Construction Corporation, for the policy period of January 31, 2010, to January 31, 2011 , Exhibit 123 in Support of Ironshore's Motion for Summary Judgment	4392-4449
3	Ironshore Policy No. 000143201 (JP Construction), Exhibit 6 in Support of Zurich's Motion for Summary Judgment	0521-0573
14-15	Ironshore policy no. 000143201 for policy period of February 18, 2010, to February 18, 2011, Exhibit 73 in Support of Ironshore's Motion for Summary Judgment	3466-3519
4	Ironshore Policy No. 000167401 (Stewart & Sundell), Exhibit 12 in Support of Zurich's Motion for Summary Judgment	0880-0942
2	Ironshore Policy No. 000194200 (Cedco),Exhibit 2 in Support of Zurich's Motion for Summary Judgment	0278-0340
8-9	Ironshore policy no. 000194200 for policy period of April 1, 2010, to April 1, 2011, Exhibit 3 in Support of Ironshore's Motion for Summary Judgment	1976-2039
9	Ironshore policy no. 000194200 for policy period of June 1, 2009, to April 1, 2010, Exhibit 4 in Support of Ironshore's Motion for Summary Judgment	2040-2103

3	Ironshore Policy No. 000242101 (Laird Whipple), Exhibit 8 in Support of Zurich's Motion for Summary Judgment	0637-0702
12	Ironshore policy no. 000242101 for policy period of April 15, 2010, to April 15, 2011, Exhibit 39 in Support of Ironshore's Motion for Summary Judgment	2768-2834
13	Ironshore policy no. 00167401 for policy period of March 1, 2010, to March 1, 2011, Exhibit 48 in Support of Ironshore's Motion for Summary Judgment	3013-3076
2-3	Ironshore Policy No. 00CQE0905001 (JP Construction), Exhibit 5 in Support of Zurich's Motion for Summary Judgment	0465-0520
14	Ironshore policy no. 00CQE0905001 for policy period of February 18, 2009, to February 18, 2010, Exhibit 72 in Support of Ironshore's Motion for Summary Judgment	3408-3465
4-5	Ironshore Policy No. 00T960905001 (Universal Framing), Exhibit 13 in Support of Zurich's Motion for Summary Judgment	0943-1004
15-16	Ironshore policy no. 00T960905001 for policy period of October 13, 2009, to October 13, 2010, Exhibit 89 in Support of Ironshore's Motion for Summary Judgment	3747-3809
3-4	Ironshore Policy No. 00XXV0905001 (PR Construction), Exhibit 9 in Support of Zurich's Motion for Summary Judgment	0703-0761
18	Ironshore policy no. 00XXV0905001, issued to PR Construction Corporation, for the policy period of January 31, 2009, to January 31, 2010 , Exhibit 122 in Support of Ironshore's Motion for Summary Judgment	4332-4391
2	Ironshore Policy No. 011040905001 (Champion Masonry), Exhibit 3 in Support of Zurich's Motion for Summary Judgment	0341-0403
16	Ironshore policy no. 011040905001 for policy period of May 31, 2009, to May 31, 2010, Exhibit 95 in Support of Ironshore's Motion for Summary Judgment	3891-3954
2	Ironshore Policy No. 0110N0905001 (Debard Plumbing), Exhibit 4 in Support of Zurich's Motion for Summary Judgment	0404-0464

10-11	Ironshore policy no. 0110N0905001 for policy period of April 6, 2009, to April 6, 2010, Exhibit 21 in Support of Ironshore's Motion for Summary Judgment	2481-2542
4	Ironshore Policy No. 012A80905001 (Stewart & Sundell), Exhibit 11 in Support of Zurich's Motion for Summary Judgment	0819-0879
12-13	Ironshore policy no. 012A80905001 for policy period of March 1, 2009, to March 1, 2010, Exhibit 47 in Support of Ironshore's Motion for Summary Judgment	2951-3012
3	Ironshore Policy No. 017BW0905001 (Laird Whipple), Exhibit 7 in Support of Zurich's Motion for Summary Judgment	0574-0636
11-12	Ironshore policy no. 017BW0905001 for policy period of April 15, 2009, to April 15, 2010, Exhibit 38 in Support of Ironshore's Motion for Summary Judgment	2704-2767
1-2	Ironshore Policy No. 018ER0905001 (Cedco), Exhibit 1 in Support of Zurich's Motion for Summary Judgment	0215-0277
17	Ironshore policy no. IRH 00V6P085001, issued to R.A.M.M. Corporation, for the policy period of November 15, 2008, to November 15, 2009 , Exhibit 115 in Support of Ironshore's Motion for Summary Judgment	4168-4224
19	Ironshore’s Amended Notices of Deposition dated August 28, 2015, Exhibit 133 in Support of Ironshore's Motion for Summary Judgment	4537-4549
19	Ironshore’s Notice of Deposition dated September 11, 2015 , Exhibit 134 in Support of Ironshore's Motion for Summary Judgment	4550-4558
8	Judgment entered in NV1, Exhibit 65 in Support of Zurich's Motion for Summary Judgment	1784-1785
21	Judgment filed 08/24/17	5050-5050
11	Letter from Castronova Law Offices to Ironshore dated September 27, 2011, Exhibit 29 in Support of Ironshore's Motion for Summary Judgment	2617-2620
17	Letter from Certus Claims to Lukestar Corp. dba Champion Masonry dated August 6, 2013 , Exhibit 114 in Support of Ironshore's Motion for Summary Judgment	4155-4167

	Letter from Certus to Ironshore dated August 6, 2013 , Exhibit 113 in Support of Ironshore's Motion for Summary Judgment	4152-4154
16	Letter from Certus to Ironshore dated July 12, 2013, Exhibit 93 in Support of Ironshore's Motion for Summary Judgment	3877-3879
17	Letter from counsel for Centex to Champion Masonry dated November 20, 2009, Exhibit 100 in Support of Ironshore's Motion for Summary Judgment	4037-4053
11	Letter from counsel for K&M Homes to Debard Plumbing dated October 11, 2010, Exhibit 34 in Support of Ironshore's Motion for Summary Judgment	2639-2660
19	Letter from counsel for PR Construction to Midlands dated October 4, 2012 , Exhibit 132 in Support of Ironshore's Motion for Summary Judgment	4532-4536
15	Letter from Dallas National Insurance Company's counsel to United Specialty Insurance Company dated June 12, 2012, Exhibit 77 in Support of Ironshore's Motion for Summary Judgment	3579-3582
10	Letter from Helm & Associates to Ironshore and others dated September 24, 2009, Exhibit 14 in Support of Ironshore's Motion for Summary Judgment	2285-2380
13	Letter from Helm & Associates to Ironshore date September 18, 2009, Exhibit 56 in Support of Ironshore's Motion for Summary Judgment	3166-3179
19	Letter from Ironshore to PR Construction dated August 29, 2012, Exhibit 131 in Support of Ironshore's Motion for Summary Judgment	4519-4531
17	Letter from KB Home Nevada, Inc.'s counsel to Midlands Claim Administrators dated October 29, 2012, Exhibit 116 in Support of Ironshore's Motion for Summary Judgment	4225-4239
14	Letter from Koeller Nebeker to Stewart & Sundell dated September 25, 2008, Exhibit 65 in Support of Ironshore's Motion for Summary Judgment	3272-3284
10	Letter from Midlands to Ironshore dated April 26, 2010, Exhibit 16 in Support of Ironshore's Motion for Summary Judgment	2384-2387
14	Letter from Midlands to Ironshore dated August 26, 2010, Exhibit 61 in Support of Ironshore's Motion for Summary Judgment	3252-3255

11	Letter from Midlands to Ironshore dated December 13, 2011, Exhibit 32 in Support of Ironshore's Motion for Summary Judgment	2626-2629
10	Letter from Midlands to Ironshore dated December 21, 2011, Exhibit 19 in Support of Ironshore's Motion for Summary Judgment	2468-2471
11	Letter from Midlands to Ironshore dated January 25, 2011, Exhibit 35 in Support of Ironshore's Motion for Summary Judgment	2661-2664
15	Letter from Midlands to Ironshore dated June 20, 2012, for policy effective February 18, 2010-2011, Exhibit 84 in Support of Ironshore's Motion for Summary Judgment	3652-3655
15	Letter from Midlands to Ironshore dated June 21, 2012, for policy effective February 18, 2008-2009, Exhibit 82 in Support of Ironshore's Motion for Summary Judgment	3644-3647
15	Letter from Midlands to Ironshore dated June 21, 2012, for policy effective February 18, 2009-2010, Exhibit 83 in Support of Ironshore's Motion for Summary Judgment	3648-3651
9	Letter from Midlands to Ironshore dated March 11, 2013, Exhibit 10 in Support of Ironshore's Motion for Summary Judgment	2236-2239
12	Letter from Midlands to Ironshore dated May 27, 2011 for policy effective April 15, 2009- 2010, Exhibit 43 in Support of Ironshore's Motion for Summary Judgment	2925-2928
12	Letter from Midlands to Ironshore dated May 27, 2011 for policy effective April 15, 2010-2011, Exhibit 44 in Support of Ironshore's Motion for Summary Judgment	2929-2932
18	Letter from Midlands to Ironshore dated November 14, 2012 , Exhibit 119 in Support of Ironshore's Motion for Summary Judgment	4310-4313
13	Letter from Midlands to Ironshore dated November 17, 2009, Exhibit 50 in Support of Ironshore's Motion for Summary Judgment	3080-3084
11	Letter from Midlands to Ironshore dated November 5, 2012, Exhibit 25 in Support of Ironshore's Motion for Summary Judgment	2571-2574

17	Letter from Midlands to Ironshore dated September 15, 2010, Exhibit 102 in Support of Ironshore's Motion for Summary Judgment	4056-4059
18	Letter from Midlands to R.A.M.M. Corporation dated November 14, 2012 , Exhibit 120 in Support of Ironshore's Motion for Summary Judgment	4314-4326
13	Letter from Stallion Mountain Homeowners' Association's counsel to William Lyon Homes, Inc. dated August 4, 2004, Exhibit 59 in Support of Ironshore's Motion for Summary Judgment	3209-3237
11	Letter from Zurich to Ironshore and others dated October 17, 2012, Exhibit 24 in Support of Ironshore's Motion for Summary Judgment	2568-2570
14	Letter from Zurich to Ironshore dated April 27, 2010, Exhibit 68 in Support of Ironshore's Motion for Summary Judgment	3330-3333
12	Letter from Zurich to Ironshore dated April 29, 2011, Exhibit 42 in Support of Ironshore's Motion for Summary Judgment	2922-2924
18	Letter from Zurich to Ironshore dated August 1, 2012 , Exhibit 126 in Support of Ironshore's Motion for Summary Judgment	4491-4493
9	Letter from Zurich to Ironshore dated August 18, 2011 without attachments (attachments are Exhs. 5, 6 and 8) , Exhibit 7 in Support of Ironshore's Motion for Summary Judgment	2148-2150
14	Letter from Zurich to Ironshore dated December 13, 2010, Exhibit 63 in Support of Ironshore's Motion for Summary Judgment	3265-3268
10	Letter from Zurich to Ironshore dated December 2, 2011, Exhibit 18 in Support of Ironshore's Motion for Summary Judgment	2397-2467
10	Letter from Zurich to Ironshore dated December 22, 2009, Exhibit 15 in Support of Ironshore's Motion for Summary Judgment	2381-2383
17	Letter from Zurich to Ironshore dated June 27, 2013 , Exhibit 108 in Support of Ironshore's Motion for Summary Judgment	4105-4107
11	Letter from Zurich to Ironshore dated March 1, 2012, Exhibit 37 in Support of Ironshore's Motion for Summary Judgment	2674-2703

11	Letter from Zurich to Ironshore dated November 10, 2011, Exhibit 30 in Support of Ironshore's Motion for Summary Judgment	2621-2623
16	Letter from Zurich to Ironshore dated November 17, 2011, Exhibit 96 in Support of Ironshore's Motion for Summary Judgment	3955-3956
18	Letter from Zurich to Midlands dated December 5, 2012 , Exhibit 121 in Support of Ironshore's Motion for Summary Judgment	4327-4331
13	Letter from Zurich to Midlands dated January 10, 2012, Exhibit 54 in Support of Ironshore's Motion for Summary Judgment	3157-3161
17	Litigation Escrow Matrix , Exhibit 112 in Support of Ironshore's Motion for Summary Judgment	4149-4151
17	Midlands claim note dated September 3, 2010, Exhibit 101 in Support of Ironshore's Motion for Summary Judgment	4054-4055
13-14	Midlands claim notes October 27, 2009-July 28, 2010, Exhibit 60 in Support of Ironshore's Motion for Summary Judgment	3238-3251
1	Motion for Partial Summary Judgment filed by Zurich filed 09/16/16	0181-0204
21	Motion for Relief From Judgment Filed by Zurich filed 09/20/17	5051-5056
8	Motion for Summary Judgment Filed by Ironshore filed 09/19/16	1860-1889
8	Notice of Acceptance of Offer filed in NV1, Exhibit 64 in Support of Zurich's Motion for Summary Judgment	1778-1783
21	Notice of Appeal filed 10/08/18	5083-5083
21	Notice of New Case Authority Filed by Ironshore filed 11/02/16	5012-5042
1	Notice of Removal filed 03/12/15	0001-0045
20-21	Opposition of Ironshore To Zurich's Motion for Partial Summary Judgment filed 10/11/16	4936-4965
21	Opposition of Ironshore to Zurich's Motion for Relief filed 10/04/17	5057-5066

20	Opposition of Zurich To Ironshore's Motion for Summary Judgment filed 10/11/16	4904-4935
21	Order Accepting Certified Questions filed 09/11/20	5103-5104
21	Order Certifying Question filed 07/02/20	5084-5102
21	Order Denying Motion filed 09/18/18	5076-5082
21	Order on Motions for Summary Judgment filed 08/24/17	5043-5049
10	Plaintiffs' Complaint filed on April 12, 2011, in *Seven Hills* action, Exhibit 12 in Support of Ironshore's Motion for Summary Judgment	2253-2269
8	Plaintiffs' Supplemental Disclosures, dated October 14, 2015, Exhibit 2 in Support of Ironshore's Motion for Summary Judgment	1972-1975
18-19	Portions of subcontracts stating PR Construction Corporation's scope of work , Exhibit 129 in Support of Ironshore's Motion for Summary Judgment	4499-4516
20	Preliminary Cost of Repair for Claim Summary Report for Debard Plumbing/*Drost* , Exhibit 146 in Support of Ironshore's Motion for Summary Judgment	4779-4799
8	Printout - Nevada Secretary of State website, Exhibit 75 in Support of Zurich's Motion for Summary Judgment	1857-1859
8	Printout - Nevada State Contractors Board website, Exhibit 74 in Support of Zurich's Motion for Summary Judgment	1855-1856
8	Proof of Service of Subpoena - Centex Homes, Exhibit 71 in Support of Zurich's Motion for Summary Judgment	1845-1846
8	Proof of Service of Subpoena - Champion Masonry, Exhibit 70 in Support of Zurich's Motion for Summary Judgment	1843-1844
20	Reconstruction Cost Guides and Estimates for Debard Plumbing/*Lino* June 2013 , Exhibit 148 in Support of Ironshore's Motion for Summary Judgment	4805-4836
20-21	Reply of Ironshore To Zurich's Motion for Summary Judgment filed 10/28/16	4992-5011

21	Reply of Zurich To Ironshore's Motion for Summary Judgment filed 10/28/16	4966-4991
21	Reply of Zurich to Opposition To Motion for Relief filed 10/11/17	5067-5075
6	Report issued as to Garcia, Exhibit 41 in Support of Zurich's Motion for Summary Judgment	1337-1340
17	Reserved, Exhibit 104 in Support of Ironshore's Motion for Summary Judgment	4069-4069
17	Reserved, Exhibit 105 in Support of Ironshore's Motion for Summary Judgment	4070-4070
8	Response to Subpoena - Centex Homes, Exhibit 73 in Support of Zurich's Motion for Summary Judgment	1849-1854
8	Response to Subpoena - Champion Masonry, Exhibit 72 in Support of Zurich's Motion for Summary Judgment	1847-1848
1	Second Amended Complaint filed 09/28/15	0088-0131
8	Second Amended Complaint, filed September 28, 2015. (See Docket No. 25.), Exhibit 1 in Support of Ironshore's Motion for Summary Judgment	1971-1971
16	Subcontract Agreement (excerpts) between D.W. Arnold, Inc. and Universal Framing, Exhibit 92 in Support of Ironshore's Motion for Summary Judgment	3872-3876
15	Subcontract Agreement between Coleman Development and J.P Construction Co., Inc. dated April 7, 2000, Exhibit 78 in Support of Ironshore's Motion for Summary Judgment	3583-3599
15	Subcontract Agreement between Coleman Development and J.P. Construction Co., Inc. dated September 27, 2000, Exhibit 79 in Support of Ironshore's Motion for Summary Judgment	3600-3611
15	Subcontract Agreement between Coleman Development and J.P. Construction Co., Inc. dated February 12, 2002, Exhibit 80 in Support of Ironshore's Motion for Summary Judgment	3612-3620
17	Subcontract between The Developers of Nevada, LLC and Champion Masonry dated April 20, 2001 , Exhibit 109 in Support of Ironshore's Motion for Summary Judgment	4108-4120

20	Subcontractor Allocation (cost of repair) for Debard Plumbing/*Wikey* dated December 17, 2012 , Exhibit 150 in Support of Ironshore's Motion for Summary Judgment	4843-4844
8	Subpoena - Centex Homes, Exhibit 69 in Support of Zurich's Motion for Summary Judgment	1840-1842
8	Subpoena - Champion Masonry, Exhibit 68 in Support of Zurich's Motion for Summary Judgment	1837-1839
14	Sun City Anthem – Lot Listing – Duplexes, Exhibit 69 in Support of Ironshore's Motion for Summary Judgment	3334-3339
6	Tender Letter in Garcia, Exhibit 39 in Support of Zurich's Motion for Summary Judgment	1328-1331
6	Tender Letter in Garcia, Exhibit 40 in Support of Zurich's Motion for Summary Judgment	1332-1336
5	Tender Letter served in Mohan, Exhibit 34 in Support of Zurich's Motion for Summary Judgment	1239-1241
15	Third Amended Class Action Construction Defect Complaint filed on August 29, 2011, in the *Casallas* action, Exhibit 75 in Support of Ironshore's Motion for Summary Judgment	3535-3559
7	Third Amended Complaint filed in Boyer, Exhibit 54 in Support of Zurich's Motion for Summary Judgment	1557-1579
18	Third Amended Complaint filed May 14, 2012, in the *Boyer* action , Exhibit 124 in Support of Ironshore's Motion for Summary Judgment	4450-4473
18	Third Party Complaint filed by PN II, Inc., on May 22, 2012, in the *Boyer* action , Exhibit 125 in Support of Ironshore's Motion for Summary Judgment	4474-4490
5	Third Party Complaint filed in Anthem, Exhibit 32 in Support of Zurich's Motion for Summary Judgment	1217-1235
7	Third Party Complaint filed in Anthem, Exhibit 57 in Support of Zurich's Motion for Summary Judgment	1622-1640
7	Third Party Complaint filed in Bennett, Exhibit 53 in Support of Zurich's Motion for Summary Judgment	1535-1556
7	Third Party Complaint filed in Boyer, Exhibit 55 in Support of Zurich's Motion for Summary Judgment	1580-1596

6	Third Party Complaint filed in Casallas, Exhibit 51 in Support of Zurich's Motion for Summary Judgment	1480-1498
8	Third Party Complaint filed in Clark, Exhibit 63 in Support of Zurich's Motion for Summary Judgment	1754-1777
6	Third Party Complaint filed in Garcia, Exhibit 38 in Support of Zurich's Motion for Summary Judgment	1305-1327
6	Third Party Complaint filed in Lino, Exhibit 47 in Support of Zurich's Motion for Summary Judgment	1409-1426
6	Third Party Complaint filed in Marcel, Exhibit 43 in Support of Zurich's Motion for Summary Judgment	1356-1368
7	Third Party Complaint filed in Stallion Mountain, Exhibit 59 in Support of Zurich's Motion for Summary Judgment	1652-1671
7	Third Party Complaint filed in Sun City, Exhibit 61 in Support of Zurich's Motion for Summary Judgment	1684-1716
6	Third Party Complaint filed in Wikey, Exhibit 49 in Support of Zurich's Motion for Summary Judgment	1440-1455
6	Third Party Complaint, Exhibit 45 in Support of Zurich's Motion for Summary Judgment	1383-1395
12	Third-Party Complaint filed by American West Homes, Inc. on November 14, 2008 in the *Bennett* action, Exhibit 41 in Support of Ironshore's Motion for Summary Judgment	2900-2921
10	Third-Party Complaint filed by Cedco, Inc. on March 27, 2012, in the *Seven Hills* action, Exhibit 13 in Support of Ironshore's Motion for Summary Judgment	2270-2284
14	Third-Party Complaint filed by Del Webb Communities, Inc., on March 18, 2010, in the *Sun City* action, Exhibit 67 in Support of Ironshore's Motion for Summary Judgment	3297-3329
11	Third-Party Complaint filed by Lakemont Copper Hills, LLC on August 1, 2012 in the Lino action, Exhibit 28 in Support of Ironshore's Motion for Summary Judgment	2600-2616
11	Third-Party Complaint filed by Silverwing Development on December 21, 2012, in the *Drost* action, Exhibit 23 in Support of Ironshore's Motion for Summary Judgment	2555-2567

9	Third-Party Complaint filed by Terravita Home Construction Company, Inc. on June 23, 2011, in the *Anthem* action, Exhibit 6 in Support of Ironshore's Motion for Summary Judgment	2129-2147
13	Third-Party Complaint filed by Terravita Home Construction Company, Inc. on June 23, 2011, in the *Anthem* action, Exhibit 53 in Support of Ironshore's Motion for Summary Judgment	3138-3156
17	Third-Party Complaint filed by The Developers of Nevada, LLC on May 28, 2013, in the *Marcel* action , Exhibit 111 in Support of Ironshore's Motion for Summary Judgment	4136-4148
15	Third-Party Complaint filed on February 9, 2012 by Baker-Coleman Construction, Inc., in the *Casallas* action, Exhibit 76 in Support of Ironshore's Motion for Summary Judgment	3560-3578
14	United Specialty policy no. IRH00CQE0805001 for policy period of February 18, 2008, to February 18, 2009, Exhibit 71 in Support of Ironshore's Motion for Summary Judgment	3357-3407
15	United Specialty policy no. IRH00T960805001 for policy period of October 13, 2008, to October 13, 2009, Exhibit 88 in Support of Ironshore's Motion for Summary Judgment	3695-3746

c. You and any other involved insured must:
   (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim" or "suit";
   (2) Authorize us to obtain records and other information;
   (3) Cooperate with us in the investigation or settlement of the "claim" or defense against the "suit"; and
   (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of an act, error or omission to which this insurance may also apply.

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.

4. **Other Insurance**
If other valid and collectible insurance is available to the insured for a loss we cover under this endorsement, our obligations are limited as follows:

a. **Primary Insurance**
This insurance is primary except when Paragraph b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph c. below.

b. **Excess Insurance**
   (1) This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis that is effective prior to the beginning of the policy period shown in the Schedule of this insurance and that applies to an act, error or omission on other than a claims-made basis, if:
      (a) No Retroactive Date is shown in the Schedule of this insurance; or
      (b) The other insurance has a policy period which continues after the Retroactive Date shown in the Schedule of this insurance.
   (2) When this insurance is excess, we will have no duty to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.
   (3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of the total amount that all such other insurance would pay for the loss in absence of this insurance; and the total of all deductible and self-insured amounts under all that other insurance.
   (4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Schedule of this endorsement.

c. Method Of Sharing
If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.
If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limits of insurance to the total applicable limits of insurance of all insurers.

F. For the purposes of the coverage provided by this endorsement, the following Extended Reporting Period provisions are added, or, if this endorsement is attached to a claims-made Coverage Part, replaces any similar Section in that Coverage Part:
EXTENDED REPORTING PERIOD

1. You will have the right to purchase an Extended Reporting Period, as described below, if:
   a. This endorsement is canceled or not renewed; or
   b. We renew or replace this endorsement with insurance that:
      (1) Has a Retroactive Date later than the date shown in the Schedule of this endorsement; or
      (2) Does not apply to an act, error or omission on a claims-made basis.
2. The Extended Reporting Period does not extend the policy period or change the scope of coverage provided. It applies only to "claims" for acts, errors or omissions that were first committed before the end of the policy period but not before the Retroactive Date, if any, shown in the Schedule. Once in effect, the

3. An Extended Reporting Period of five years is available, but only by an endorsement and for an extra charge.
   You must give us a written request for the endorsement within 60 days after the end of the policy period. The Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due.
   We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:
   a. The "employee benefit programs" insured;
   b. Previous types and amounts of insurance;
   c. Limits of insurance available under this endorsement for future payment of damages; and
   d. Other related factors.
   The additional premium will not exceed 100% of the annual premium for this endorsement.
   The Extended Reporting Period endorsement applicable to this coverage shall set forth the terms, not inconsistent with this Section, applicable to the Extended Reporting Period, including a provision to the effect that the insurance afforded for "claims" first received during such period is excess over any other valid and collectible insurance available under policies in force after the Extended Reporting Period starts.
4. If the Extended Reporting Period is in effect, we will provide an extended reporting period aggregate limit of insurance described below, but only for claims first received and recorded during the Extended Reporting Period.
   The extended reporting period aggregate limit of insurance will be equal to the dollar amount shown in the Schedule of this endorsement under Limits of Insurance.
   Paragraph **D.1.b.** of this endorsement will be amended accordingly. The Each Employee Limit shown in the Schedule will then continue to apply as set forth in Paragraph **D.1.c.**

G. For the purposes of the coverage provided by this endorsement, the following definitions are added to the **Definitions** Section:
   1. "Administration" means:
      a. Providing information to "employees", including their dependents and beneficiaries, with respect to eligibility for or scope of "employee benefit programs";
      b. Handling records in connection with the "employee benefit program"; or
      c. Effecting, continuing or terminating any "employee's" participation in any benefit included in the "employee benefit program".

      However, "administration" does not include handling payroll deductions.
   2. "Cafeteria plans" means plans authorized by applicable law to allow employees to elect to pay for certain benefits with pre-tax dollars.
   3. "Claim" means any demand, or "suit", made by an "employee" or an "employee's" dependents and beneficiaries, for damages as the result of an act, error or omission.
   4. "Employee benefit program" means a program providing some or all of the following benefits to "employees", whether provided through a "cafeteria plan" or otherwise:
      a. Group life insurance, group accident or health insurance, dental, vision and hearing plans, and flexible spending accounts, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to those "employees" who satisfy the plan's eligibility requirements;
      b. Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to all "employees" who are eligible under the plan for such benefits;
      c. Unemployment insurance, social security benefits, workers' compensation and disability benefits;
      d. Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family, and civil leave; tuition assistance plans; transportation and health club subsidies; and
      e. Any other similar benefits designated in the Schedule or added thereto by endorsement.

H. For the purposes of the coverage provided by this endorsement, Definitions **5.** and **18.** in the **Definitions** Section are replaced by the following:
   5. "Employee" means a person actively employed, formerly employed, on leave of absence or disabled, or retired. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
   18. "Suit" means a civil proceeding in which damages because of an act, error or omission to which this insurance applies are alleged. "Suit" includes:

a. An arbitration proceeding in which such damages are claimed and to which the Insured must submit or does submit with our consent; or

b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

November 3, 2009
Date

ISIC 3172

IRONSHORE
your safe harbour

IRONSHORE SPECIALTY INSURANCE COMPANY
One State Street Plaza
7th Floor
New York, NY 10004
Toll Free: (877) IRON411

Endorsement # 28

Policy Number: 00T960905001 **Effective Date Of Endorsement:** October 13, 2009

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – COMPLETED OPERATIONS – COMMERCIAL (PRIMARY & NONCONTRIBUTORY)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):	Location And Description Of Completed Operations
As required by written contract. No coverage is provided under this endorsement for single and multi-family dwelling units.	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

Section II - Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

If required by written contract or agreement, such insurance as is afforded by this policy shall be primary insurance, and any insurance or self-insurance maintained by the above additional insured(s) shall be excess of the insurance afforded to the Named Insured and shall not contribute to it.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

March 13, 2009
Date

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ISIC 3173

Exhibit 14

Exhibit 14

MIDLANDS

March 11, 2013

VIA CERTIFIED & REGULAR MAIL

Attn Officer Manager
CEDCO, Inc.
7210 Placid St.
Las Vegas, NV 89119

Re: ***Anthem Country Club HOA, et al. v. Terravita Homes Construction Co., et al.***

Insured	:	CEDCO, Inc.
Policy No.	:	018ER0905001 effective June 01, 2009-10
		0001942200 effective April 01, 2010-11
Claimant	:	Anthem Country Club HOA, et al
Our File No.	:	109311-CM
		130505-CM

Dear Policyholder:

On behalf of Ironshore Specialty Insurance Company (hereinafter, "Ironshore"), this letter will serve to acknowledge receipt of the above captioned matter by this office. We are the claim administrators for this program. Please make note of our claim number and direct all future correspondence to this office, to the attention of this writer using our claim number as a reference.

Based on these documents and other information submitted, we have determined that this claim does not fall within the scope of coverage, or is otherwise excluded from coverage under the Ironshore policy, or policies issued to CEDCO, Inc. As such, unless additional, new or different information is provided, Ironshore must deny your request for coverage in this matter. Our reasons for concluding that there is no coverage are explained below.

Factual Background

This action involves allegations of construction defect and property damage made by the owners of residence located in the city of Henderson, NV. It

3503 NW 63rd Street, Ste 305 Oklahoma City, OK 73116 • www.midlandsclaim.com
Phone: 405.840.0074 • 800.800.4007 • Fax: 405.840.5432

ISIC 234

To: CEDCO, Inc.
Re: Anthem Country Club HOA, et al. v. Terravita Homes Construction Co., et al.
Date: March 11, 2013 109311; 130505

appears CEDCO, Inc. completed their work on the project(s) involved in this case on 11/26/2003.

The documents supplied to us revealed the construction involved in this project was completed by CEDCO, Inc. before the policy inception date.

The Policies

Ironshore issued Policy Number 018ER0905001 effective June 01, 2009 – June 01, 2010. The policy contains an Each Occurrence Limit of $1,000,000.00 and a General Aggregate Limit in the amount of $2,000,000.00.

Ironshore issued Policy Number 000194200 effective April 01, 2010 – April 01, 2011. The policy contains an Each Occurrence Limit of $1,000,000.00 and a General Aggregate Limit in the amount of $2,000,000.00.

Based on the facts of this matter as reported to Ironshore, when compared to the terms, conditions, exclusions and endorsements of the Ironshore policy or policies at issue, this claim does not fall within the coverage provided under the policy or policies under which coverage is being sought.

Declination of Coverage

Ironshore respectfully disclaims coverage in this matter subject to the terms, conditions, exclusions and limits of the Ironshore policy, and the applicable law. CEDCO, Inc. completed their work on this project prior to inception of the policy. Therefore, coverage would not be triggered due in part to the Continuous or Progressive Injury or Damage Exclusion.

SECTION I - COVERAGES

COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1 Insuring Agreement

A. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We

may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in Section III – Limits of Insurance; and

(2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages A , B. and C.

B. This Insurance applies to "bodily injury" and "property damage" only if:

(1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and

(2) The "bodily injury" or "property damage" occurs during the policy period; and

(3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

The Ironshore policies contain the following pertinent definitions:

SECTION V - DEFINITIONS

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

14. "Products-completed operations hazard"

a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

(1) Products that are still in your physical possession; or

(2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

(a) When all of the work called for in your contract has been completed.

(b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.

(c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

b. Does not include "bodily injury" or "property damage" arising out of:

(1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;

(2) The existence of tools, uninstalled equipment or abandoned or unused materials; or

(3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products completed operations are subject to the General Aggregate Limit.

17. "Property Damage" means:

a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

21. "Your Products":

a. Means:

(1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

(a) You;

(b) Others trading under your name; or

(c) A person or organization whose business or assets you have acquired; and

(2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

22 "Your work":

a. Means:

(1) Work or operations performed by you or on your behalf; and

(2) Materials, parts or equipment furnished in connection with such work or operations.

The Ironshore policies contain the following pertinent Exclusions:

2. Exclusions

j. Damage to Property

(5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or

(6) That particular part of any property that much be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage to Premises Rented To You as described in Section III – Limits of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard."

This insurance does not apply to:

k. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

l. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

(1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or

(2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended

n. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

(1) "Your product";

(2) "Your work"; or

(3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

Who Is An Insured

SECTION II WHO IS AN INSURED, states:

1. If you are designated in the Declarations as:

a. *An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.*

b. *A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.*

c. *A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business.*

Your managers are insureds, but only with respect to their duties as your managers.

d. *An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.*

e. *A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.*

2 *Each of the following is also an insured:*

a. *Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts 'within the scope of their employment by you or while performing duties related to the conduct of your business.*

However, none of these "employees" or "volunteer workers" are insureds under this policy with respect to:

(1) *"bodily injury" or "personal and advertising injury":*

(a) *To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a, co-employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;*

(b) *To the spouse, child, parent, brother or sister of that co "employee" or "volunteer worker" as a consequence of Paragraph (1) (a) above;*

(c) *For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1)(a) or (b) above; or*

(d) Arising out of his or her providing or failing to provide professional health care services.

The Ironshore policy also includes the (IB.EX.014B 7/08Ed) endorsement below:

CONTINUOUS OR PROGRESSIVE INJURY OR DAMAGE EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This insurance does not apply to any "bodily injury' or "property damage":

1. *which first existed, or is alleged to have first existed, prior to the inception date of this policy. "Property damage" from "your work", or the work of any additional insured, performed prior to policy inception will be deemed to have first existed prior to the policy inception, unless such "property damage" is sudden and accidental and takes place within the policy period; or*

2. *which was, or is alleged to have been, in the process of taking place prior to the inception date of this policy, even if the such "bodily injury" or "property damage" continued during this policy period; or*

3. *which is, or is alleged to be, of the same general nature or type as a condition, circumstance or construction defect which resulted in "bodily injury" or "property damage" prior to the inception date of this policy.*

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.

All other terms, conditions and exclusions remain unchanged.

Ironshore respectfully declines coverage based upon the Continuous or Progressive Injury or Damage Exclusion. Paragraph (1) of the Continuous Damage Exclusion provides that (a) property damage from the insured's work performed prior to the policy period will be deemed to have existed prior to the policy period and (b) there is no coverage for property damage which first existed or is alleged to have existed prior to inception of the policy. Here, the dates for CEDCO, Inc.'s work at the subject properties are all prior to the policy inception date. Therefore, even if property damage occurred at

the properties within the policy period, the Continuous Damage Exclusion operates to exclude coverage where CEDCO, Inc.'s work was performed prior to the policy period.

Paragraph (1) of the Continuous Damage Exclusion contains an exception to the exclusion for property damage that is sudden and accidental and takes place within the policy period. It is CEDCO, Inc.'s or Terravita Homes Construction Co.'s burden to show the claim falls within the exception to the exclusion.

Another important aspect of the Ironshore policies is the endorsement below:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – DESIGNATED OPERATIONS COVERED BY A CONSOLIDATED (WRAP-UP) INSURANCE PROGRAM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Description and Location of Operation(s):

All Operations:

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement)

The following exclusion is added to paragraph 2.,
Exclusions of Coverage A - Bodily Injury and Property Damage Liability (Section I - Coverages):

This insurance does not apply to "bodily injury" or "property damage" arising out of either your ongoing operations or operations included within the "products-completed operations hazard" at the location described in the Schedule of this endorsement, as a consolidated (wrap-up) insurance program has been provided by the prime contractor/project manager or owner of the construction project in which you are involved.

This exclusion applies whether or not the consolidated (wrap-up) insurance program:
1) Provides coverage identical to that provided by this Coverage Part;
2) Has limits adequate to cover all claims; or

3) Remains in effect.

All other terms, conditions and exclusions remain unchanged.

Conclusion

Based on our review of the materials and information submitted regarding the subject construction project, Ironshore must respectfully decline coverage for this claim. Our reasons for this conclusion include:

- The claims made do not fall within the scope of the insuring agreement as discussed above;
- The project was completed by CEDCO, Inc. prior to the Ironshore policy's issue date and given the nature of the allegations is excluded under the Continuous or Progressive Injury or Damage Exclusion.

Our reasons for denying your claim as stated in this correspondence, while comprehensive are not necessarily exhaustive, or complete. Ironshore specifically reserves the right to supplement, modify or change its reasons for limiting, or denying coverage under any terms conditions, or provisions of the policy as issued regardless of whether those provisions or reasons are now known, or stated herein. If you believe this denial of coverage is in error, Ironshore would appreciate any new or different information you have regarding our analysis or conclusions as stated herein. Ironshore stands willing to review any information or analysis you wish to provide Ironshore regarding this coverage position. Ironshore reserves the right to review the coverage position again, and change or add to it, should additional facts come to Ironshore's attention.

It is expressly understood that any further action undertaken by Ironshore in the investigation or the handling this action shall not be construed as a waiver of the rights of Ironshore to deny coverage under CEDCO, Inc.'s policy.

Ironshore reserves the right to commence and prosecute any legal action including but not limited to a declaratory relief action to obtain a judicial determination of whether the policies afford coverage for any of the claims made or damages sought in this matter.

Note: We appreciate receiving all information electronically whenever possible. Please reference our file number on all correspondence and in the event you cannot respond electronically, please respond to the undersigned using the contact information on the first page letterhead.

To: CEDCO, Inc.
Re: Anthem Country Club HOA, et al. v. Terravita Homes Construction Co., et al.
Date: March 11, 2013 109311; 130505

Yours very truly,

Crystal Mathews

Crystal Mathews
Midlands Claim Administrators, Inc.
Claims Examiner
cmathews@midman.com
(405) 767-1721

CM/pp

ISIC 245

Exhibit 15

Exhibit 15

MIDLANDS

PMA COMPANIES

December 21, 2011

VIA REGULAR & CERTIFIED MAIL
(RETURN RECEIPT REQUESTED)

Attn Office Manager
CEDCO
7210 Placid Street
Las Vegas NV 89119

Re: Kevin Mohan, et al. v. Amland Development

Insured	:	CEDCO
Policy No.	:	018ER0905001
Policy Dates	:	June 1, 2009 to April 1, 2010
Claimant	:	Kevin Mohan, et al.
Project	:	Central Park Estates
Our File No.	:	122949-JPS

Dear Policyholder:

On behalf of Ironshore Specialty Insurance Company (hereinafter, "Ironshore"), this letter will serve to acknowledge receipt of the above captioned matter by this office. We are the claim administrators for this program. Please make note of our claim number and direct all future correspondence to this office, to the attention of this writer using our claim number as a reference.

Based on these documents and other information submitted, we have determined that this claim does not fall within the scope of coverage, or is otherwise excluded from coverage under the Ironshore policy, or policies issued to CEDCO. As such, unless additional, new or different information is provided, Ironshore must deny your request for coverage in this matter. Our reasons for concluding that there is no coverage are explained below.

Factual Background

This action involves a single-family residence located in the city of Las Vegas, Nevada. It appears CEDCO completed their work on the home/lot involved in this case in 2002.

The documents supplied to us revealed the construction involved in this project was completed by CEDCO before the policy inception date.

Midlands Claim Administrators, Inc. • 3503 NW 63rd Street, Suite 305, Oklahoma City, OK 73116
Phone: 405.840.0074 • Fax: 405.840.0584 • www.midlandsclaim.com

California • New York • Oklahoma • Texas

ISIC 913

To: CEDCO
Re: Kevin Mohan, et al. v. CEDCO
Date: December 21, 2011

The Policy

Ironshore issued Policy Number 018ER0905001 with effective dates of June 1, 2009 to April 1, 2010. The policy contains an Each Occurrence Limit of $1,000,000.00 and a General Aggregate Limit in the amount of $2,000,000.00.

Based on the facts of this matter as reported to Ironshore, when compared to the terms, conditions, exclusions and endorsements of the Ironshore policy or policies at issue, this claim does not fall within the coverage provided under the policy or policies under which coverage is being sought.

Declination of Coverage

Ironshore respectfully disclaims coverage in this matter subject to the terms, conditions, exclusions and limits of the Ironshore policy, and the applicable law. CEDCO completed their work on this project prior to inception of the policy. Therefore, coverage would not be triggered due in part to the Continuous or Progressive Injury or Damage Exclusion.

Who is an Insured

The policy contains a description of who is considered an insured under the policy. **SECTION II WHO IS AN INSURED**, states:

1. *If you are designated in the Declarations as:*

   a. *An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.*

   b. *A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.*

   c. *A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.*

To: CEDCO
Re: Kevin Mohan, et al. v. CEDCO
Date: December 21, 2011

d. *An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.*

e. *A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.*

2 *Each of the following is also an insured:*

a. *Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.*

However, none of these "employees" or "volunteer workers" are insureds under this policy with respect to:

(1) *"bodily injury" or "personal and advertising injury":*

(a) *To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a, co-employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;*

(b) *To the spouse, child, parent, brother or sister of that co "employee" or "volunteer worker" as a consequence of Paragraph (1) (a) above;*

(c) *For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1)(a) or (b) above; or*

(d) *Arising out of his or her providing or failing to provide professional health care services.*

To: CEDCO
Re: Kevin Mohan, et al. v. CEDCO
Date: December 21, 2011

SECTION II — WHO IS AN INSURED** is amended by Endorsement – **ADDITIONAL INSURED — OWNERS, LESSEES OR CONTRACTORS - AUTOMATIC STATUS WHEN REQUIRED IN CONSTRUCTION AGREEMENT WITH YOU

This endorsement modifies the insurance policy and reads as follows:

A. ***Section II — Who Is An Insured** is amended to include as an additional insured any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy. Such person or organization is an additional insured only with respect to liability for "bodily injury", "property damage' or "personal and advertising injury" caused, in whole or in part, by:*

1. *Your acts or omissions; or*
2. *The acts or omissions of those acting on your behalf;*

in the performance of your ongoing operations for the additional insured.

A person's or organization's status as an additional insured under this endorsement ends when your operations for that additional insured are completed.

It is further agreed that such insurance as is afforded by this Policy for the benefits of an additional insured shall be primary and non-contributory.

B. *With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:*

This insurance does not apply to:

1. *"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:*

a. *The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or*
b. *Supervisory, inspection, architectural or engineering activities.*

2. *"Bodily injury" or "property damage" occurring after:*

To: CEDCO
Re: Kevin Mohan, et al. v. CEDCO
Date: December 21, 2011

a. *All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or*

b. *That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.*

c. *"Property Damage" which manifests after expiration of the Policy.*

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.

All other terms, exclusions and conditions of the policy remain unchanged.

The Ironshore policy also includes the (IB.EX.014B 7/08Ed) endorsement below:

CONTINUOUS OR PROGRESSIVE INJURY OR DAMAGE EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This insurance does not apply to any "bodily injury' or "property damage":

1. *which first existed, or is alleged to have first existed, prior to the inception date of this policy. "Property damage" from "your work", or the work of any additional insured, performed prior to policy inception will be deemed to have first existed prior to the policy inception, unless such "property damage" is sudden and accidental and takes place within the policy period; or*

2. *which was, or is alleged to have been, in the process of taking place prior to the inception date of this policy, even if the such "bodily injury" or "property damage" continued during this policy period; or*

3. *which is, or is alleged to be, of the same general nature or type as a condition, circumstance or construction defect which resulted in "bodily injury" or "property damage" prior to the inception date of this policy.*

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.

To: CEDCO
Re: Kevin Mohan, et al. v. CEDCO
Date: December 21, 2011

All other terms, conditions and exclusions remain unchanged.

Ironshore respectfully declines coverage based upon the Continuous or Progressive Injury or Damage Exclusion. The notice of completion date or dates related to this claim indicates that the project was completed by CEDCO prior to inception of the Ironshore policy.

Another important aspect of the Ironshore policy is the endorsement below:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – DESIGNATED OPERATIONS COVERED BY A CONSOLIDATED (WRAP-UP) INSURANCE PROGRAM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Description and Location of Operation(s):

All Operations:

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement)

The following exclusion is added to paragraph 2., Exclusions of Coverage A - Bodily Injury and Property Damage Liability (Section I - Coverages):

This insurance does not apply to "bodily injury" or "property damage" arising out of either your ongoing operations or operations included within the "products-completed operations hazard" at the location described in the Schedule of this endorsement, as a consolidated (wrap-up) insurance program has been provided by the prime contractor/project manager or owner of the construction project in which you are involved.

This exclusion applies whether or not the consolidated (wrap-up) insurance program:
1) Provides coverage identical to that provided by this Coverage Part;

To: CEDCO
Re: Kevin Mohan, et al. v. CEDCO
Date: December 21, 2011

2) Has limits adequate to cover all claims; or
3) Remains in effect.

All other terms, conditions and exclusions remain unchanged.

Conclusion

Based on our review of the materials and information submitted regarding the subject construction project, Ironshore must respectfully decline coverage for this claim. Our reasons for this conclusion include:

- The claims made do not fall within the scope of the insuring agreement as discussed above;
- The project was completed by CEDCO prior to the Ironshore policy's issue date and is excluded under the Continuous or Progressive Injury or Damage Exclusion.

Our reasons for denying your claim as stated in this correspondence, while comprehensive are not necessarily exhaustive, or complete. Ironshore specifically reserves the right to supplement, modify or change its reasons for limiting, or denying coverage under any terms conditions, or provisions of the policy as issued regardless of whether those provisions or reasons are now known, or stated herein. If you believe this denial of coverage is in error, Ironshore would appreciate any new or different information you have regarding our analysis or conclusions as stated herein. Ironshore stands willing to review any information or analysis you wish to provide Ironshore regarding this coverage position. Ironshore reserves the right to review the coverage position again, and change or add to it, should additional facts come to Ironshore's attention.

It is expressly understood that any further action undertaken by Ironshore in the investigation or the handling this action shall not be construed as a waiver of the rights of Ironshore to deny coverage under CEDCO's policy.

Ironshore reserves the right to commence and prosecute any legal action including but not limited to a declaratory relief action to obtain a judicial determination of whether the policies afford coverage for any of the claims made or damages sought in this matter.

Note: We appreciate receiving all information electronically whenever possible. Please reference our file number on all correspondence and in the event you

To: CEDCO
Re: Kevin Mohan, et al. v. CEDCO
Date: December 21, 2011

cannot respond electronically, please respond to the undersigned at the address below.

Yours very truly,

MIDLANDS CLAIM ADMINISTRATORS, INC.
P.O. Box 23198
Oklahoma City, OK 73123
405-840-0950
jpspearman@midman.com

JPS/mb

cc: Attn: Rachael Rutherford
Zurich
PO Box 66965
Chicago, IL 60666-0965

ISIC 920

Exhibit 16

Exhibit 16

MIDLANDS CLAIM
ADMINISTRATORS INC.

HOME OFFICE

3503 N.W. 63RD STREET
SUITE 204
OKLAHOMA CITY, OK 73116
P.O. BOX 23198
OKLAHOMA CITY, OK 73123
PHONE: 405.840.0950
FAX: 405.840.0584
www.midlandsclaim.com

WORKERS COMPENSATION DIVISION
P.O. BOX 238808
OKLAHOMA CITY, OK 73123

LOCATIONS

CALIFORNIA
23801 CALABASAS ROAD
SUITE 2000
CALABASAS, CA 91302
P.O. BOX 8909
CALABASAS, CA 91372
PHONE: 818.224.2134
FAX: 818.224.2169
LICENSE #: 2D85815

FLORIDA
7257 N.W. 4TH BOULEVARD
SUITE 11
GAINESVILLE, FL 32607
PHONE: 352.331.2355
FAX: 352.331.2356

NEW YORK
51 EAST 42ND STREET
SUITE 616
NEW YORK, NY10017
PHONE: 212.681.8308
FAX: 212.681.8307

TEXAS
160 ADDISON TOWER
16415 ADDISON ROAD
ADDISON, TX 75001
PHONE: 972.588.2002
FAX: 972.588.2090

OMAG
4130 NORTH LINCOLN BOULEVARD
OKLAHOMA CITY, OK 73105
PHONE: 405.525.4049
FAX: 405.525.0009

April 26, 2010

VIA REGULAR & CERTIFIED MAIL
(RETURN RECEIPT REQUESTED)

ATTN KEVIN
HELM & ASSOC
2810 W CHARLESTON BLVD
SUITE G 67
LAS VEGAS NV 89102

Re: Seven Hills HOA v. Silver Canyon Partnership, et al.

Insured	:	CEDCO, Incorporated
Policy No.	:	018ER0905001
Policy Dates	:	June 1, 2009 to June 1, 2010
Claimant	:	Seven Hills HOA
Our File No.	:	106134

Note: We appreciate receiving all information electronically whenever possible. Please reference our file number on all correspondence and in the event you cannot respond electronically, please respond to the undersigned at the <u>Home Office</u> address.

Dear Mr. Helm:

On behalf of Ironshore Specialty Insurance Company (hereinafter, "Ironshore"), this letter will serve to acknowledge receipt of the above captioned matter by this office. We are the claim administrators for this program. Please make note of our claim number and direct all future correspondence to this office, to the attention of this writer using our claim number as a reference.

Based on these documents and other information submitted, we have determined that this claim does not fall within the scope of coverage, or is otherwise excluded from coverage under the Ironshore policy, or policies issued to CEDCO, Incorporated. As such, unless additional, new or different information is provided, Ironshore must deny your request for coverage in this matter. Our reasons for concluding that there is no coverage are explained below.

To: Helm & Associates
Re: Seven Hills HOA v. Silver Canyon Partnership, et al.
Date: April 26, 2010

Factual Background

This action involves single-family residences and common areas in the Seven Hills development located in the city of Henderson, Nevada. It appears CEDCO, Incorporated completed their work on the homes/lots involved in this case from 2000 through 2001.

The documents supplied to us revealed the construction involved in this project was completed by CEDCO, Incorporated before the policy inception date.

The Policy

Ironshore issued Policy Number 018ER0905001 with effective dates of June 1, 2009 to June 1, 2010. The policy contains an Each Occurrence Limit of $1,000,000.00 and a General Aggregate Limit in the amount of $2,000,000.00.

Based on the facts of this matter as reported to Ironshore, when compared to the terms, conditions, exclusions and endorsements of the Ironshore policy or policies at issue, this claim does not fall within the coverage provided under the policy or policies under which coverage is being sought.

Declination of Coverage

Ironshore respectfully disclaims coverage in this matter subject to the terms, conditions, exclusions and limits of the Ironshore policy, and the applicable law. CEDCO, Incorporated completed their work on this project prior to inception of the policy. Therefore, coverage would not be triggered due in part to the Continuous or Progressive Injury or Damage Exclusion.

Who is an Insured

The policy contains a description of who is considered an insured under the policy. **SECTION II WHO IS AN INSURED**, states:

1. *If you are designated in the Declarations as:*

    a. *An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.*

To: Helm & Associates
Re: Seven Hills HOA v. Silver Canyon Partnership, et al.
Date: April 26, 2010

b. *A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.*

c. *A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.*

d. *An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.*

e. *A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.*

2 *Each of the following is also an insured:*

a. *Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.*

However, none of these "employees" or "volunteer workers" are insureds under this policy with respect to:

(1) *"bodily injury" or "personal and advertising injury":*

(a) *To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a, co-employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;*

To: Helm & Associates
Re: Seven Hills HOA v. Silver Canyon Partnership, et al.
Date: April 26, 2010

(b) *To the spouse, child, parent, brother or sister of that co "employee" or "volunteer worker" as a consequence of Paragraph (i) (a) above;*

(c) *For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (i)(a) or (b) above; or*

(d) *Arising out of his or her providing or failing to provide professional health care services.*

SECTION II — WHO IS AN INSURED** is amended by Endorsement – **ADDITIONAL INSURED — OWNERS, LESSEES OR CONTRACTORS - AUTOMATIC STATUS WHEN REQUIRED IN CONSTRUCTION AGREEMENT WITH YOU

This endorsement modifies the insurance policy and reads as follows:

A. ***Section II — Who Is An Insured** is amended to include as an additional insured any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy. Such person or organization is an additional insured only with respect to liability for "bodily injury", "property damage' or "personal and advertising injury" caused, in whole or in part, by:*

1. *Your acts or omissions; or*
2. *The acts or omissions of those acting on your behalf;*

in the performance of your ongoing operations for the additional insured.

A person's or organization's status as an additional insured under this endorsement ends when your operations for that additional insured are completed.

It is further agreed that such insurance as is afforded by this Policy for the benefits of an additional insured shall be primary and non-contributory.

B. *With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:*

This insurance does not apply to:

To: Helm & Associates
Re: Seven Hills HOA v. Silver Canyon Partnership, et al.
Date: April 26, 2010

1. *"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:*

   a. *The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or*
   b. *Supervisory, inspection, architectural or engineering activities.*

2. *"Bodily injury" or "property damage" occurring after:*

   a. *All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or*
   b. *That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.*
   c. *"Property Damage" which manifests after expiration of the Policy.*

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.

All other terms, exclusions and conditions of the policy remain unchanged.

The Ironshore policy also includes the (IB.EX.014B 7/08Ed) endorsement below:

CONTINUOUS OR PROGRESSIVE INJURY OR DAMAGE EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This insurance does not apply to any "bodily injury' or "property damage":

1. *which first existed, or is alleged to have first existed, prior to the inception date of this policy. "Property damage" from "your work", or the work of any additional insured, performed prior to policy inception will be deemed to have first existed prior to the policy inception, unless such "property damage" is sudden and accidental and takes place within the policy period; or*

To: Helm & Associates
Re: Seven Hills HOA v. Silver Canyon Partnership, et al.
Date: April 26, 2010

2. *which was, or is alleged to have been, in the process of taking place prior to the inception date of this policy, even if the such "bodily injury" or "property damage" continued during this policy period; or*

3. *which is, or is alleged to be, of the same general nature or type as a condition, circumstance or construction defect which resulted in "bodily injury" or "property damage" prior to the Inception date of this policy.*

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.

All other terms, conditions and exclusions remain unchanged.

Ironshore respectfully declines coverage based upon the Continuous or Progressive Injury or Damage Exclusion. The notice of completion date or dates related to this claim indicates that the project was completed by CEDCO, Incorporated prior to inception of the Ironshore policy.

Another important aspect of the Ironshore policy is the endorsement below:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – DESIGNATED OPERATIONS COVERED BY A CONSOLIDATED (WRAP-UP) INSURANCE PROGRAM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Description and Location of Operation(s):

All Operations:

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement)

The following exclusion is added to paragraph 2.,
Exclusions of Coverage A - Bodily Injury and Property Damage Liability (Section I - Coverages):

To: Helm & Associates
Re: Seven Hills HOA v. Silver Canyon Partnership, et al.
Date: April 26, 2010

This insurance does not apply to "bodily injury" or "property damage" arising out of either your ongoing operations or operations included within the "products-completed operations hazard" at the location described in the Schedule of this endorsement, as a consolidated (wrap-up) insurance program has been provided by the prime contractor/project manager or owner of the construction project in which you are involved.

This exclusion applies whether or not the consolidated (wrap-up) insurance program:
1) Provides coverage identical to that provided by this Coverage Part;
2) Has limits adequate to cover all claims; or
2) Remains in effect.

All other terms, conditions and exclusions remain unchanged.

Conclusion

Based on our review of the materials and information submitted regarding the subject construction project, Ironshore must respectfully decline coverage for this claim. Our reasons for this conclusion include:

- The claims made do not fall within the scope of the insuring agreement as discussed above;

- The project was completed by CEDCO, Incorporated prior to the Ironshore policy's issue date and is excluded under the Continuous or Progressive Injury or Damage Exclusion.

Our reasons for denying your claim as stated in this correspondence, while comprehensive are not necessarily exhaustive, or complete. Ironshore specifically reserves the right to supplement, modify or change its reasons for limiting, or denying coverage under any terms conditions, or provisions of the policy as issued regardless of whether those provisions or reasons are now known, or stated herein. If you believe this denial of coverage is in error, Ironshore would appreciate any new or different information you have regarding our analysis or conclusions as stated herein. Ironshore stands willing to review any information or analysis you wish to provide Ironshore regarding this coverage position. Ironshore reserves the right to review the coverage position again, and change or add to it, should additional facts come to Ironshore's attention.

It is expressly understood that any further action undertaken by Ironshore in the investigation or the handling this action shall not be construed as a waiver of the rights of Ironshore to deny coverage under CEDCO, Incorporated's policy.

To: Helm & Associates
Re: Seven Hills HOA v. Silver Canyon Partnership, et al.
Date: April 26, 2010

Ironshore reserves the right to commence and prosecute any legal action including but not limited to a declaratory relief action to obtain a judicial determination of whether the policies afford coverage for any of the claims made or damages sought in this matter.

Note: We appreciate receiving all information electronically whenever possible. Please reference our file number on all correspondence and in the event you cannot respond electronically, please respond to the undersigned at the Home Office address.

Yours very truly,

MIDLANDS CLAIM ADMINISTRATORS, INC.
P.O. Box 23198
Oklahoma City, OK 73123
405-840-0950
jpspearman@midman.com

JPS/mb

cc: CEDCO
6670 W. Silverado Ranch Blvd
Las Vegas, NV 89130

Attn: Diane
Travelers
PO Box 71018
Las Vegas, NV 71018

ISIC 1071

Exhibit 17

Exhibit 17

PMA COMPANIES

P.O. Box 23198
Oklahoma City, OK 73123-1778
Phone: 405.840.0950
Fax: 405.840.0584
www.midlandsclaim.com

Midlands Claim Administrators, Inc.
M L Proffitt, Jr
Claims Examiner
MLProffitt@midman.com
405.426.6101 (Direct)

November 6, 2012

VIA REGULAR & CERTIFIED MAIL

Attn David Wedemeyer, Esq.
Lee Hernandez Brooks
Garofalo & Blake
7575 Vegas Drive # 150
Las Vegas, NV 89128

Re: Brundege, et al v Centex Homes, et al

Insured	:	Champion Masonry
Policy No.	:	011040905001 effective May 31, 2009-10
Claimant	:	Brundege, et al
Our File No.	:	113658-MP

Dear Mr. Wedemeyer:

On behalf of Ironshore Specialty Insurance Company (hereinafter, "Ironshore"), this letter will serve to acknowledge receipt of the above captioned matter by this office. We are the claim administrators for this program. Please make note of our claim number and direct all future correspondence to this office, to the attention of this writer using our claim number as a reference.

This claim was initially created as a result of Centex Homes, et al seeking additional insured status. Based on these documents and other information submitted, we have determined that this claim does not fall within the scope of coverage, or is otherwise excluded from coverage under the Ironshore policy, or policies issued to Champion Masonry. As such, unless additional, new or different information is provided, Ironshore must deny your request for coverage in this matter. Our reasons for concluding that there is no coverage are explained below.

Factual Background

This action involves allegations of construction defect and property damage made by the owners of residences located in the city of North Las Vegas, NV.

To: Lee Hernandez Brooks Garofalo & Blake
Re: Brundege, et al v Centex Homes, et al
Date: November 6, 2012

It appears Champion Masonry completed their work on the project(s) involved in this case from 2000 to 2003.

The documents supplied to us revealed the construction involved in this project was completed by Champion Masonry before the policy inception date.

The Policy

Ironshore issued Policy Number 011040905001 effective May 31, 2009-10. The policy contains an Each Occurrence Limit of $1,000,000.00 and a General Aggregate Limit in the amount of $2,000,000.00.

Based on the facts of this matter as reported to Ironshore, when compared to the terms, conditions, exclusions and endorsements of the Ironshore policy or policies at issue, this claim does not fall within the coverage provided under the policy or policies under which coverage is being sought.

Declination of Coverage

Ironshore respectfully disclaims coverage in this matter subject to the terms, conditions, exclusions and limits of the Ironshore policy, and the applicable law. Champion Masonry completed their work on this project prior to inception of the policy. Therefore, coverage would not be triggered due in part to the Continuous or Progressive Injury or Damage Exclusion.

SECTION I - COVERAGES

COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1 Insuring Agreement

A. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

To: Lee Hernandez Brooks Garofalo & Blake
Re: Brundege, et al v Centex Homes, et al
Date: November 6, 2012

(1) The amount we will pay for damages is limited as described in Section III – Limits of Insurance; and

(2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages A , B. and C.

B. This Insurance applies to "bodily injury" and "property damage" only if:

(1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and

(2) The "bodily injury" or "property damage" occurs during the policy period; and

(3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

The Ironshore policies contain the following pertinent definitions:

SECTION V - DEFINITIONS

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

14. "Products-completed operations hazard"

a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

To: Lee Hernandez Brooks Garofalo & Blake
Re: Brundege, et al v Centex Homes, et al
Date: November 6, 2012

(1) Products that are still in your physical possession; or

(2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

(a) When all of the work called for in your contract has been completed.

(b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.

(c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

b. Does not include "bodily injury" or "property damage" arising out of:

(1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;

(2) The existence of tools, uninstalled equipment or abandoned or unused materials; or

(3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products completed operations are subject to the General Aggregate Limit.

17. "Property Damage" means:

a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

To: Lee Hernandez Brooks Garofalo & Blake
Re: Brundege, et al v Centex Homes, et al
Date: November 6, 2012

b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

21. "Your Products":

a. Means:

(1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

(a) You;

(b) Others trading under your name; or

(c) A person or organization whose business or assets you have acquired; and

(2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

22 "Your work":

a. Means:

(1) Work or operations performed by you or on your behalf; and

(2) Materials, parts or equipment furnished in connection with such work or operations.

The Ironshore policies contain the following pertinent Exclusions:

2. Exclusions

j. Damage to Property

(5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or

To: Lee Hernandez Brooks Garofalo & Blake
Re: Brundege, et al v Centex Homes, et al
Date: November 6, 2012

(6) That particular part of any property that much be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage to Premises Rented To You as described in Section III – Limits of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard."

This insurance does not apply to:

k. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

l. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

(1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or

(2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

To: Lee Hernandez Brooks Garofalo & Blake
Re: Brundege, et al v Centex Homes, et al
Date: November 6, 2012

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended

n. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

(1) "Your product";

(2) "Your work"; or

(3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

Who is an Insured

SECTION II WHO IS AN INSURED, states:

1. *If you are designated in the Declarations as:*

a. *An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.*

b. *A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.*

c. *A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.*

d. *An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and*

directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

e. *A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.*

2 *Each of the following is also an insured:*

a. *Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts 'within the scope of their employment by you or while performing duties related to the conduct of your business.*

However, none of these "employees" or "volunteer workers" are insureds under this policy with respect to:

(1) *"bodily injury" or "personal and advertising injury":*

(a) *To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a, co-employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;*

(b) *To the spouse, child, parent, brother or sister of that co "employee" or "volunteer worker" as a consequence of Paragraph (1) (a) above;*

(c) *For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1)(a) or (b) above; or*

(d) *Arising out of his or her providing or failing to provide professional health care services.*

To: Lee Hernandez Brooks Garofalo & Blake
Re: Brundege, et al v Centex Homes, et al
Date: November 6, 2012

The Ironshore policy also includes the (IB.EX.014B 7/08Ed) endorsement below:

CONTINUOUS OR PROGRESSIVE INJURY OR DAMAGE EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This insurance does not apply to any "bodily injury' or "property damage":

1. *which first existed, or is alleged to have first existed, prior to the inception date of this policy. "Property damage" from "your work", or the work of any additional insured, performed prior to policy inception will be deemed to have first existed prior to the policy inception, unless such "property damage" is sudden and accidental and takes place within the policy period; or*

2. *which was, or is alleged to have been, in the process of taking place prior to the inception date of this policy, even if the such "bodily injury" or "property damage" continued during this policy period; or*

3. *which is, or is alleged to be, of the same general nature or type as a condition, circumstance or construction defect which resulted in "bodily injury" or "property damage" prior to the inception date of this policy.*

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.

All other terms, conditions and exclusions remain unchanged.

Ironshore respectfully declines coverage based upon the Continuous or Progressive Injury or Damage Exclusion. Paragraph (1) of the Continuous Damage Exclusion provides that (a) property damage from the insured's work performed prior to the policy period will be deemed to have existed prior to the policy period and (b) there is no coverage for property damage which first existed or is alleged to have existed prior to inception of the policy. Here, the dates for Champion Masonry's work at the subject properties are all prior to the policy inception date. Therefore, even if property damage occurred at the properties within the policy period, the Continuous Damage Exclusion operates to exclude coverage where Champion Masonry's work was performed prior to the policy period.

To: Lee Hernandez Brooks Garofalo & Blake
Re: Brundege, et al v Centex Homes, et al
Date: November 6, 2012

Paragraph (1) of the Continuous Damage Exclusion contains an exception to the exclusion for property damage that is sudden and accidental and takes place within the policy period. It is Champion Masonry's or Centex Homes, et al's burden to show the claim falls within the exception to the exclusion.

Another important aspect of the Ironshore policy is the endorsement below:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – DESIGNATED OPERATIONS COVERED BY A CONSOLIDATED (WRAP-UP) INSURANCE PROGRAM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Description and Location of Operation(s):

All Operations:

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement)

The following exclusion is added to paragraph 2.,
Exclusions of Coverage A - Bodily Injury and Property Damage Liability (Section I - Coverages):

This insurance does not apply to "bodily injury" or "property damage" arising out of either your ongoing operations or operations included within the "products-completed operations hazard" at the location described in the Schedule of this endorsement, as a consolidated (wrap-up) insurance program has been provided by the prime contractor/project manager or owner of the construction project in which you are involved.

This exclusion applies whether or not the consolidated (wrap-up) insurance program:
1) Provides coverage identical to that provided by this Coverage Part;
2) Has limits adequate to cover all claims; or
3) Remains in effect.

All other terms, conditions and exclusions remain unchanged.

To: Lee Hernandez Brooks Garofalo & Blake
Re: Brundege, et al v Centex Homes, et al
Date: November 6, 2012

SECTION II — WHO IS AN INSURED** is amended by Endorsement – **ADDITIONAL INSURED — OWNERS, LESSEES OR CONTRACTORS - AUTOMATIC STATUS WHEN REQUIRED IN CONSTRUCTION AGREEMENT WITH YOU

This endorsement modifies the insurance policy and reads as follows:

A. ***Section II — Who Is An Insured** is amended to include as an additional insured any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy. Such person or organization is an additional insured only with respect to liability for "bodily injury", "property damage' or "personal and advertising injury" caused, in whole or in part, by:*

1. *Your acts or omissions; or*
2. *The acts or omissions of those acting on your behalf;*

in the performance of your ongoing operations for the additional insured.

A person's or organization's status as an additional insured under this endorsement ends when your operations for that additional insured are completed.

It is further agreed that such insurance as is afforded by this Policy for the benefits of an additional insured shall be primary.

B. *With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:*

This insurance does not apply to:

1. *"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:*

a. *The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or*
b. *Supervisory, inspection, architectural or engineering activities.*

2. *"Bodily injury" or "property damage" occurring after:*

a. *All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or*

b. *That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.*

c. *"Property Damage" which manifests after expiration of the Policy.*

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.

All other terms, conditions and exclusions of the policy remain unchanged.

Conclusion

Based on our review of the materials and information submitted regarding the subject construction project, Ironshore must respectfully decline coverage for this claim. Our reasons for this conclusion include:

- The claims made do not fall within the scope of the insuring agreement as discussed above;

- The project was completed by Champion Masonry prior to the Ironshore policy's issue date and given the nature of the allegations is excluded under the Continuous or Progressive Injury or Damage Exclusion;

Our reasons for denying your claim as stated in this correspondence, while comprehensive are not necessarily exhaustive, or complete. Ironshore specifically reserves the right to supplement, modify or change its reasons for limiting, or denying coverage under any terms conditions, or provisions of the policy as issued regardless of whether those provisions or reasons are now known, or stated herein. If you believe this denial of coverage is in error, Ironshore would appreciate any new or different information you have regarding our analysis or conclusions as stated herein. Ironshore stands willing to review any information or analysis you wish to provide Ironshore regarding this coverage position. Ironshore reserves the right to review the coverage position again, and change or add to it, should additional facts come to Ironshore's attention.

To: Lee Hernandez Brooks Garofalo & Blake
Re: Brundege, et al v Centex Homes, et al
Date: November 6, 2012

It is expressly understood that any further action undertaken by Ironshore in the investigation or the handling this action shall not be construed as a waiver of the rights of Ironshore to deny coverage under Champion Masonry's policy.

Ironshore reserves the right to commence and prosecute any legal action including but not limited to a declaratory relief action to obtain a judicial determination of whether the policies afford coverage for any of the claims made or damages sought in this matter.

Note: We appreciate receiving all information electronically whenever possible. Please reference our file number on all correspondence and in the event you cannot respond electronically, please respond to the undersigned using the contact information on the first page letterhead.

Yours very truly,

M. L. Proffitt, Jr.

MP/mb

cc: Champion Masonry
P. O. Box 35680
Las Vegas, NV 89113

Zurich
P. O. Box 66965
Chicago, IL 60666-0965

ISIC 1473

Exhibit 18

Exhibit 18

CERTUS CLAIMS

RECEIVED

Certain. Settled. Resolved.

AUG 29 2013

CERTUS CLAIMS

August 6, 2013

VIA CERTIFIED & REGULAR MAIL

Attn. Lucretia G. Corral
Lukestar Corp. dba
Champion Masonry
PO Box 35680
Las Vegas, NV 89113

Re: ***Novea Marcel, et al. v. The Developers of Nevada, LLC, et al.***

Insured	:	Lukestar Corp. dba Champion Masonry
Policy No.	:	011040905001 effective May 31, 2009-10
Claimant	:	Novea Marcel, et al
Our File No.	:	131758-CM

Dear Ms. Corral:

On behalf of Ironshore Specialty Insurance Company (hereinafter, "Ironshore"), this letter will serve to acknowledge receipt of the above captioned matter by this office. We are the claim administrators for this program. Please make note of our claim number and direct all future correspondence to this office, to the attention of this writer using our claim number as a reference.

Based on these documents and other information submitted, we have determined that this claim does not fall within the scope of coverage, or is otherwise excluded from coverage under the Ironshore policy, or policies issued to Lukestar Corp. dba Champion Masonry. As such, unless *additional, new or different information* is provided, Ironshore must deny your request for coverage in this matter. Our reasons for concluding that there is no coverage are explained below.

Factual Background

This action involves allegations of construction defect and property damage made by the owners of residences located in the city of N Las Vegas, NV. It appears Lukestar Corp. dba Champion Masonry completed their work on the project(s) involved in this case from 05/22/2001 – 07/29/2003.

The documents supplied to us revealed the construction involved in this project was completed by Lukestar Corp. dba Champion Masonry before the policy inception date.

To: Lukestar Corp. dba Champion Masonry
Re: Novea Marcel, et al. v. The Developers of Nevada, LLC, et al.
Date: August 6, 2013

The Policy

Ironshore issued Policy Number 011040905001 effective May 31, 2009 – May 31, 2010. The policy contains an Each Occurrence Limit of $1,000,000.00 and a General Aggregate Limit in the amount of $2,000,000.00.

Based on the facts of this matter as reported to Ironshore, when compared to the terms, conditions, exclusions and endorsements of the Ironshore policy or policies at issue, this claim does not fall within the coverage provided under the policy or policies under which coverage is being sought.

Declination of Coverage

Ironshore respectfully disclaims coverage in this matter subject to the terms, conditions, exclusions and limits of the Ironshore policy, and the applicable law. Lukestar Corp. dba Champion Masonry completed their work on this project prior to inception of the policy. Therefore, coverage would not be triggered due in part to the Continuous or Progressive Injury or Damage Exclusion.

SECTION I - COVERAGES

COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1 Insuring Agreement

A. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in Section III – Limits of Insurance; and

(2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages A , B. and C.

B. This Insurance applies to "bodily injury" and "property damage" only if:

(1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and

To: Lukestar Corp. dba Champion Masonry
Re: Novea Marcel, et al. v. The Developers of Nevada, LLC, et al.
Date: August 6, 2013

(2) The "bodily injury" or "property damage" occurs during the policy period; and

(3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

The Ironshore policy contains the following pertinent definitions:

SECTION V - DEFINITIONS

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

14. "Products-completed operations hazard"

a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

(1) Products that are still in your physical possession; or

(2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

(a) When all of the work called for in your contract has been completed.

(b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.

(c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

b. Does not include "bodily injury" or "property damage" arising out of:

(1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;

To: Lukestar Corp. dba Champion Masonry
Re: Novea Marcel, et al. v. The Developers of Nevada, LLC, et al.
Date: August 6, 2013

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(2) The existence of tools, uninstalled equipment or abandoned or unused materials; or

(3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products completed operations are subject to the General Aggregate Limit.

17. "Property Damage" means:

a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

21. "Your Products":

a. Means:

(1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

(a) You;

(b) Others trading under your name; or

(c) A person or organization whose business or assets you have acquired; and

(2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

22 "Your work":

a. Means:

(1) Work or operations performed by you or on your behalf; and

(2) Materials, parts or equipment furnished in connection with such work or operations.

The Ironshore policy contains the following pertinent Exclusions:

2. Exclusions

j. Damage to Property

(5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or

To: Lukestar Corp. dba Champion Masonry
Re: Novea Marcel, et al. v. The Developers of Nevada, LLC, et al.
Date: August 6, 2013

(6) That particular part of any property that much be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage to Premises Rented To You as described in Section III – Limits of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard."

This insurance does not apply to:

k. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

l. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

(1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or

(2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended

n. Recall Of Products, Work Or Impaired Property

To: Lukestar Corp. dba Champion Masonry
Re: Novea Marcel, et al. v. The Developers of Nevada, LLC, et al.
Date: August 6, 2013

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

(1) "Your product";

(2) "Your work"; or

(3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

Who Is An Insured

SECTION II WHO IS AN INSURED, states:

1. *If you are designated in the Declarations as:*

a. *An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.*

b. *A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.*

c. *A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.*

d. *An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.*

e. *A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.*

2 *Each of the following is also an insured:*

a. *Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts 'within the scope of their employment by you or while performing duties related to the conduct of your business.*

To: Lukestar Corp. dba Champion Masonry
Re: Novea Marcel, et al. v. The Developers of Nevada, LLC, et al.
Date: August 6, 2013

However, none of these "employees" or "volunteer workers" are insureds under this policy with respect to:

(1) *"bodily injury" or "personal and advertising injury":*

(a) *To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a, co-employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;*

(b) *To the spouse, child, parent, brother or sister of that co "employee" or "volunteer worker" as a consequence of Paragraph (1) (a) above;*

(c) *For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1)(a) or (b) above; or*

(d) *Arising out of his or her providing or failing to provide professional health care services.*

The Ironshore policy also includes the (IB.EX.014B 7/08Ed) endorsement below:

CONTINUOUS OR PROGRESSIVE INJURY OR DAMAGE EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This insurance does not apply to any "bodily injury' or "property damage":

1. *which first existed, or is alleged to have first existed, prior to the inception date of this policy. "Property damage" from "your work", or the work of any additional insured, performed prior to policy inception will be deemed to have first existed prior to the policy inception, unless such "property damage" is sudden and accidental and takes place within the policy period; or*

2. *which was, or is alleged to have been, in the process of taking place prior to the inception date of this policy, even if the such "bodily injury" or "property damage" continued during this policy period; or*

3. *which is, or is alleged to be, of the same general nature or type as a condition, circumstance or construction defect which resulted in "bodily injury" or "property damage" prior to the inception date of this policy.*

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.

All other terms, conditions and exclusions remain unchanged.

To: Lukestar Corp. dba Champion Masonry
Re: Novea Marcel, et al. v. The Developers of Nevada, LLC, et al.
Date: August 6, 2013

Ironshore respectfully declines coverage based upon the Continuous or Progressive Injury or Damage Exclusion. Paragraph (1) of the Continuous Damage Exclusion provides that (a) property damage from the insured's work performed prior to the policy period will be deemed to have existed prior to the policy period and (b) there is no coverage for property damage which first existed or is alleged to have existed prior to inception of the policy. Here, the dates for Lukestar Corp. dba Champion Masonry's work at the subject properties are all prior to the policy inception date. Therefore, even if property damage occurred at the properties within the policy period, the Continuous Damage Exclusion operates to exclude coverage where Lukestar Corp. dba Champion Masonry's work was performed prior to the policy period.

Paragraph (1) of the Continuous Damage Exclusion contains an exception to the exclusion for property damage that is sudden and accidental and takes place within the policy period. It is Lukestar Corp. dba Champion Masonry's or The Developers of Nevada, LLC's burden to show the claim falls within the exception to the exclusion.

Another important aspect of the Ironshore policy is the endorsement below:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – DESIGNATED OPERATIONS COVERED BY A CONSOLIDATED (WRAP-UP) INSURANCE PROGRAM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Description and Location of Operation(s):

All Operations:

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement)

The following exclusion is added to paragraph 2.,
Exclusions of Coverage A - Bodily Injury and Property Damage Liability (Section I - Coverages):

This insurance does not apply to "bodily injury" or "property damage" arising out of either your ongoing operations or operations included within the "products-completed operations hazard" at the location described in the Schedule of this endorsement, as a consolidated (wrap-up) insurance program has been provided by the prime contractor/project manager or owner of the construction project in which you are involved.

This exclusion applies whether or not the consolidated (wrap-up) insurance program:
1) Provides coverage identical to that provided by this Coverage Part;
2) Has limits adequate to cover all claims; or
3) Remains in effect.

To: Lukestar Corp. dba Champion Masonry
Re: Novea Marcel, et al. v. The Developers of Nevada, LLC, et al.
Date: August 6, 2013

All other terms, conditions and exclusions remain unchanged.

Conclusion

Based on our review of the materials and information submitted regarding the subject construction project, Ironshore must respectfully decline coverage for this claim. Our reasons for this conclusion include:

- The claims made do not fall within the scope of the insuring agreement as discussed above; and
- The project was completed by Lukestar Corp. dba Champion Masonry prior to the Ironshore policy's issue date and given the nature of the allegations is excluded under the Continuous or Progressive Injury or Damage Exclusion.

Our reasons for denying your claim as stated in this correspondence, while comprehensive are not necessarily exhaustive, or complete. Ironshore specifically reserves the right to supplement, modify or change its reasons for limiting, or denying coverage under any terms conditions, or provisions of the policy as issued regardless of whether those provisions or reasons are now known, or stated herein. If you believe this denial of coverage is in error, Ironshore would appreciate any new or different information you have regarding our analysis or conclusions as stated herein. Ironshore stands willing to review any information or analysis you wish to provide Ironshore regarding this coverage position. Ironshore reserves the right to review the coverage position again, and change or add to it, should additional facts come to Ironshore's attention.

It is expressly understood that any further action undertaken by Ironshore in the investigation or the handling this action shall not be construed as a waiver of the rights of Ironshore to deny coverage under Lukestar Corp. dba Champion Masonry's policy.

Ironshore reserves the right to commence and prosecute any legal action including but not limited to a declaratory relief action to obtain a judicial determination of whether the policies afford coverage for any of the claims made or damages sought in this matter.

Note: We appreciate receiving all information electronically whenever possible. Please reference our file number on all correspondence and in the event you cannot respond electronically, please respond to the undersigned using the contact information on the first page letterhead.

Yours very truly,

Crystal Mathews

Crystal Mathews
Certus Claims Administration, LLC
Claims Examiner
cmathews@certusclaims.com
(805) 987-8803

CM/rw

Exhibit 19

Exhibit 19

PMA COMPANIES

P.O. Box 23198
Oklahoma City, OK 73123-1778
Phone: 405.840.0950
Fax: 405.840.0584
www.midlandsclaim.com

Midlands Claim Administrators, Inc.
M L Proffitt, Jr
Claims Examiner
MLProffitt@midman.com
405.426.6101 (Direct)

November 5, 2012

VIA REGULAR & CERTIFIED MAIL

Attn Bill E. Fruechting
Debard Plumbing Inc
450 S 18th St
Sparks, NV 89431

Re: Drost, et al v Silverwing Development, et al
Insured : Debard Plumbing, Inc.
Policy No. : 0110N0905001 effective April 6, 2009-10
Claimant : Drost, et al
Our File No. : 129361-MP

Dear Mr. Fruechting:

On behalf of Ironshore Specialty Insurance Company (hereinafter, "Ironshore"), this letter will serve to acknowledge receipt of the above captioned matter by this office. We are the claim administrators for this program. Please make note of our claim number and direct all future correspondence to this office, to the attention of this writer using our claim number as a reference.

Based on these documents and other information submitted, we have determined that this claim does not fall within the scope of coverage, or is otherwise excluded from coverage under the Ironshore policy, or policies issued to Debard Plumbing Inc. As such, unless additional, new or different information is provided, Ironshore must deny your request for coverage in this matter. Our reasons for concluding that there is no coverage are explained below.

Factual Background

This action involves allegations of construction defect and property damage made by the owners of residences located in the city of Sparks, NV. It appears Debard Plumbing Inc completed their work on the project(s) involved in this case from October 22, 2004 to April 27, 2005.

To: Debard Plumbing Inc
Re: Drost, et al v Silverwing Development, et al
Date: November 5, 2012

The documents supplied to us revealed the construction involved in this project was completed by Debard Plumbing Inc before the policy inception date.

The Policy

Ironshore issued Policy Number 0110N0905001 effective April 6, 2009-10. The policy contains an Each Occurrence Limit of $1,000,000.00 and a General Aggregate Limit in the amount of $2,000,000.00.

Based on the facts of this matter as reported to Ironshore, when compared to the terms, conditions, exclusions and endorsements of the Ironshore policy or policies at issue, this claim does not fall within the coverage provided under the policy or policies under which coverage is being sought.

Declination of Coverage

Ironshore respectfully disclaims coverage in this matter subject to the terms, conditions, exclusions and limits of the Ironshore policy, and the applicable law. Debard Plumbing Inc completed their work on this project prior to inception of the policy. Therefore, coverage would not be triggered due in part to the Continuous or Progressive Injury or Damage Exclusion.

SECTION I - COVERAGES

COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1 Insuring Agreement

A. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in Section III – Limits of Insurance; and

To: Debard Plumbing Inc
Re: Drost, et al v Silverwing Development, et al
Date: November 5, 2012

(2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages A , B. and C.

B. This Insurance applies to "bodily injury" and "property damage" only if:

(1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and

(2) The "bodily injury" or "property damage" occurs during the policy period; and

(3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

The Ironshore policies contain the following pertinent definitions:

SECTION V - DEFINITIONS

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

14. "Products-completed operations hazard"

a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

(1) Products that are still in your physical possession; or

To: Debard Plumbing Inc
Re: Drost, et al v Silverwing Development, et al
Date: November 5, 2012

(2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

(a) When all of the work called for in your contract has been completed.

(b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.

(c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

b. Does not include "bodily injury" or "property damage" arising out of:

(1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;

(2) The existence of tools, uninstalled equipment or abandoned or unused materials; or

(3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products completed operations are subject to the General Aggregate Limit.

17. "Property Damage" means:

a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

To: Debard Plumbing Inc
Re: Drost, et al v Silverwing Development, et al
Date: November 5, 2012

b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

21. "Your Products":

a. Means:

(1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

(a) You;

(b) Others trading under your name; or

(c) A person or organization whose business or assets you have acquired; and

(2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

22 "Your work":

a. Means:

(1) Work or operations performed by you or on your behalf; and

(2) Materials, parts or equipment furnished in connection with such work or operations.

The Ironshore policies contain the following pertinent Exclusions:

2. Exclusions

j. Damage to Property

(5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or

(6) That particular part of any property that much be restored, repaired or replaced because "your work" was incorrectly performed on it.

To: Debard Plumbing Inc
Re: Drost, et al v Silverwing Development, et al
Date: November 5, 2012

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage to Premises Rented To You as described in Section III – Limits of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard."

This insurance does not apply to:

k. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

l. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

(1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or

(2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

To: Debard Plumbing Inc
Re: Drost, et al v Silverwing Development, et al
Date: November 5, 2012

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended

n. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

(1) "Your product";

(2) "Your work"; or

(3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

Who is an Insured

SECTION II WHO IS AN INSURED, states:

1. *If you are designated in the Declarations as:*

a. *An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.*

b. *A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.*

c. *A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.*

d. *An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your*

To: Debard Plumbing Inc
Re: Drost, et al v Silverwing Development, et al
Date: November 5, 2012

officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

e. *A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.*

2 *Each of the following is also an insured:*

a. *Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts 'within the scope of their employment by you or while performing duties related to the conduct of your business.*

However, none of these "employees" or "volunteer workers" are insureds under this policy with respect to:

(1) *"bodily injury" or "personal and advertising injury":*

(a) *To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a, co-employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;*

(b) *To the spouse, child, parent, brother or sister of that co "employee" or "volunteer worker" as a consequence of Paragraph (1) (a) above;*

(c) *For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1)(a) or (b) above; or*

(d) *Arising out of his or her providing or failing to provide professional health care services.*

The Ironshore policy also includes the (IB.EX.014B 7/08Ed) endorsement below:

To: Debard Plumbing Inc
Re: Drost, et al v Silverwing Development, et al
Date: November 5, 2012

CONTINUOUS OR PROGRESSIVE INJURY OR DAMAGE EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This insurance does not apply to any "bodily injury' or "property damage":

1. *which first existed, or is alleged to have first existed, prior to the inception date of this policy. "Property damage" from "your work", or the work of any additional insured, performed prior to policy inception will be deemed to have first existed prior to the policy inception, unless such "property damage" is sudden and accidental and takes place within the policy period; or*

2. *which was, or is alleged to have been, in the process of taking place prior to the inception date of this policy, even if the such "bodily injury" or "property damage" continued during this policy period; or*

3. *which is, or is alleged to be, of the same general nature or type as a condition, circumstance or construction defect which resulted in "bodily injury" or "property damage" prior to the inception date of this policy.*

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.

All other terms, conditions and exclusions remain unchanged.

Ironshore respectfully declines coverage based upon the Continuous or Progressive Injury or Damage Exclusion. Paragraph (1) of the Continuous Damage Exclusion provides that (a) property damage from the insured's work performed prior to the policy period will be deemed to have existed prior to the policy period and (b) there is no coverage for property damage which first existed or is alleged to have existed prior to inception of the policy. Here, the dates for Debard Plumbing Inc's work at the subject properties are all prior to the policy inception date. Therefore, even if property damage occurred at the properties within the policy period, the Continuous Damage Exclusion operates to exclude coverage where Debard Plumbing Inc's work was performed prior to the policy period.

Paragraph (1) of the Continuous Damage Exclusion contains an exception to the exclusion for property damage that is sudden and accidental and takes place within the

To: Debard Plumbing Inc
Re: Drost, et al v Silverwing Development, et al
Date: November 5, 2012

policy period. It is Debard Plumbing Inc's or Silverwing Development, et al's burden to show the claim falls within the exception to the exclusion.

Another important aspect of the Ironshore policy is the endorsement below:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – DESIGNATED OPERATIONS COVERED BY A CONSOLIDATED (WRAP-UP) INSURANCE PROGRAM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Description and Location of Operation(s):

All Operations:

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement)

The following exclusion is added to paragraph 2., Exclusions of Coverage A - Bodily Injury and Property Damage Liability (Section I - Coverages):

This insurance does not apply to "bodily injury" or "property damage" arising out of either your ongoing operations or operations included within the "products-completed operations hazard" at the location described in the Schedule of this endorsement, as a consolidated (wrap-up) insurance program has been provided by the prime contractor/project manager or owner of the construction project in which you are involved.

This exclusion applies whether or not the consolidated (wrap-up) insurance program:
1) Provides coverage identical to that provided by this Coverage Part;
2) Has limits adequate to cover all claims; or
3) Remains in effect.

All other terms, conditions and exclusions remain unchanged.

ISIC 1587

To: Debard Plumbing Inc
Re: Drost, et al v Silverwing Development, et al
Date: November 5, 2012

Conclusion

Based on our review of the materials and information submitted regarding the subject construction project, Ironshore must respectfully decline coverage for this claim. Our reasons for this conclusion include:

- The claims made do not fall within the scope of the insuring agreement as discussed above;
- The project was completed by Debard Plumbing Inc prior to the Ironshore policy's issue date and given the nature of the allegations is excluded under the Continuous or Progressive Injury or Damage Exclusion.

Our reasons for denying your claim as stated in this correspondence, while comprehensive are not necessarily exhaustive, or complete. Ironshore specifically reserves the right to supplement, modify or change its reasons for limiting, or denying coverage under any terms conditions, or provisions of the policy as issued regardless of whether those provisions or reasons are now known, or stated herein. If you believe this denial of coverage is in error, Ironshore would appreciate any new or different information you have regarding our analysis or conclusions as stated herein. Ironshore stands willing to review any information or analysis you wish to provide Ironshore regarding this coverage position. Ironshore reserves the right to review the coverage position again, and change or add to it, should additional facts come to Ironshore's attention.

It is expressly understood that any further action undertaken by Ironshore in the investigation or the handling this action shall not be construed as a waiver of the rights of Ironshore to deny coverage under Debard Plumbing Inc's policy.

Ironshore reserves the right to commence and prosecute any legal action including but not limited to a declaratory relief action to obtain a judicial determination of whether the policies afford coverage for any of the claims made or damages sought in this matter.

Note: We appreciate receiving all information electronically whenever possible. Please reference our file number on all correspondence and in the event you cannot respond electronically, please respond to the undersigned using the contact information on the first page letterhead.

To: Debard Plumbing Inc
Re: Drost, et al v Silverwing Development, et al
Date: November 5, 2012

Yours very truly,

M. L. Proffitt, Jr.

MP/mb

CC: Lexington
P. O. Box 3780
Alpharetta, GA 30022

Zurich
P. O. Box 66965
Chicago, IL 60666-0965

Aspen Specialty Ins.
600 Atlantic Ave # 2100
Boston, MA 02210

ISIC 1589

Exhibit 20

Exhibit 20

MIDLANDS

PMA COMPANIES

December 13, 2011

VIA REGULAR & CERTIFIED MAIL
(RETURN RECEIPT REQUESTED)

Attn Office Manager
Debard Plumbing Inc
450 S 18th Street
Sparks NV 89431

Re: Lino, et al. v. Lakemont Homes

Insured	:	Debard Plumbing, Incorporated
Policy No.	:	0110N0905001
Policy Dates	:	April 6, 2009 to April 6, 2010
Claimant	:	Lino, et al.
Project	:	Copper Hills at Wingfield
Our File No.	:	122736-JPS

Dear Policyholder:

On behalf of Ironshore Specialty Insurance Company (hereinafter, "Ironshore"), this letter will serve to acknowledge receipt of the above captioned matter by this office. We are the claim administrators for this program. Please make note of our claim number and direct all future correspondence to this office, to the attention of this writer using our claim number as a reference.

Based on these documents and other information submitted, we have determined that this claim does not fall within the scope of coverage, or is otherwise excluded from coverage under the Ironshore policy, or policies issued to Debard Plumbing, Incorporated. As such, unless additional, new or different information is provided, Ironshore must deny your request for coverage in this matter. Our reasons for concluding that there is no coverage are explained below.

Factual Background

This action involves single-family residences located in the city of Sparks, Nevada. It appears Debard Plumbing, Incorporated completed their work on the homes/lots involved in this case from 2003 through 2004.

To: Debard Plumbing, Incorporated
Re: Lino, et al. v. Debard Plumbing, Incorporated
Date: December 13, 2011

The documents supplied to us revealed the construction involved in this project was completed by Debard Plumbing, Incorporated before the policy inception date.

The Policy

Ironshore issued Policy Number 0110N0905001 with effective dates of April 6, 2009 to April 6, 2010. The policy contains an Each Occurrence Limit of $1,000,000.00 and a General Aggregate Limit in the amount of $2,000,000.00.

Based on the facts of this matter as reported to Ironshore, when compared to the terms, conditions, exclusions and endorsements of the Ironshore policy or policies at issue, this claim does not fall within the coverage provided under the policy or policies under which coverage is being sought.

Declination of Coverage

Ironshore respectfully disclaims coverage in this matter subject to the terms, conditions, exclusions and limits of the Ironshore policy, and the applicable law. Debard Plumbing, Incorporated completed their work on this project prior to inception of the policy. Therefore, coverage would not be triggered due in part to the Continuous or Progressive Injury or Damage Exclusion.

Who is an Insured

The policy contains a description of who is considered an insured under the policy. **SECTION II WHO IS AN INSURED**, states:

1. *If you are designated in the Declarations as:*

   a. *An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.*

   b. *A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.*

   c. *A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.*

To: Debard Plumbing, Incorporated
Re: Lino, et al. v. Debard Plumbing, Incorporated
Date: December 13, 2011

d. *An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.*

e. *A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.*

2 *Each of the following is also an insured:*

a. *Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.*

However, none of these "employees" or "volunteer workers" are insureds under this policy with respect to:

(1) *"bodily injury" or "personal and advertising injury":*

(a) *To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a, co-employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;*

(b) *To the spouse, child, parent, brother or sister of that co "employee" or "volunteer worker" as a consequence of Paragraph (1) (a) above;*

(c) *For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1)(a) or (b) above; or*

(d) *Arising out of his or her providing or failing to provide professional health care services.*

To: Debard Plumbing, Incorporated
Re: Lino, et al. v. Debard Plumbing, Incorporated
Date: December 13, 2011

SECTION II — WHO IS AN INSURED** is amended by Endorsement – **ADDITIONAL INSURED — OWNERS, LESSEES OR CONTRACTORS - AUTOMATIC STATUS WHEN REQUIRED IN CONSTRUCTION AGREEMENT WITH YOU

This endorsement modifies the insurance policy and reads as follows:

A. ***Section II — Who Is An Insured** is amended to include as an additional insured any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy. Such person or organization is an additional insured only with respect to liability for "bodily injury", "property damage' or "personal and advertising injury" caused, in whole or in part, by:*

1. *Your acts or omissions; or*
2. *The acts or omissions of those acting on your behalf;*

in the performance of your ongoing operations for the additional insured.

A person's or organization's status as an additional insured under this endorsement ends when your operations for that additional insured are completed.

It is further agreed that such insurance as is afforded by this Policy for the benefits of an additional insured shall be primary and non-contributory.

B. *With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:*

This insurance does not apply to:

1. *"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:*

a. *The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or*
b. *Supervisory, inspection, architectural or engineering activities.*

2. *"Bodily injury" or "property damage" occurring after:*

To: Debard Plumbing, Incorporated
Re: Lino, et al. v. Debard Plumbing, Incorporated
Date: December 13, 2011

a. *All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or*

b. *That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.*

c. *"Property Damage" which manifests after expiration of the Policy.*

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.

All other terms, exclusions and conditions of the policy remain unchanged.

The Ironshore policy also includes the (IB.EX.014B 7/08Ed) endorsement below:

CONTINUOUS OR PROGRESSIVE INJURY OR DAMAGE EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This insurance does not apply to any "bodily injury' or "property damage":

1. *which first existed, or is alleged to have first existed, prior to the inception date of this policy. "Property damage" from "your work", or the work of any additional insured, performed prior to policy inception will be deemed to have first existed prior to the policy inception, unless such "property damage" is sudden and accidental and takes place within the policy period; or*

2. *which was, or is alleged to have been, in the process of taking place prior to the inception date of this policy, even if the such "bodily injury" or "property damage" continued during this policy period; or*

3. *which is, or is alleged to be, of the same general nature or type as a condition, circumstance or construction defect which resulted in "bodily injury" or "property damage" prior to the inception date of this policy.*

To: Debard Plumbing, Incorporated
Re: Lino, et al. v. Debard Plumbing, Incorporated
Date: December 13, 2011

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.

All other terms, conditions and exclusions remain unchanged.

Ironshore respectfully declines coverage based upon the Continuous or Progressive Injury or Damage Exclusion. The notice of completion date or dates related to this claim indicates that the project was completed by Debard Plumbing, Incorporated prior to inception of the Ironshore policy.

Another important aspect of the Ironshore policy is the endorsement below:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – DESIGNATED OPERATIONS COVERED BY A CONSOLIDATED (WRAP-UP) INSURANCE PROGRAM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Description and Location of Operation(s):

All Operations:

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement)

The following exclusion is added to paragraph 2., Exclusions of Coverage A - Bodily Injury and Property Damage Liability (Section I - Coverages):

This insurance does not apply to "bodily injury" or "property damage" arising out of either your ongoing operations or operations included within the "products-completed operations hazard" at the location described in the Schedule of this endorsement, as a consolidated (wrap-up) insurance program has been provided by the prime contractor/project manager or owner of the construction project in which you are involved.

This exclusion applies whether or not the consolidated (wrap-up) insurance program:

To: Debard Plumbing, Incorporated
Re: Lino, et al. v. Debard Plumbing, Incorporated
Date: December 13, 2011

1) Provides coverage identical to that provided by this Coverage Part;
2) Has limits adequate to cover all claims; or
3) Remains in effect.

All other terms, conditions and exclusions remain unchanged.

Conclusion

Based on our review of the materials and information submitted regarding the subject construction project, Ironshore must respectfully decline coverage for this claim. Our reasons for this conclusion include:

- The claims made do not fall within the scope of the insuring agreement as discussed above;

- The project was completed by Debard Plumbing, Incorporated prior to the Ironshore policy's issue date and is excluded under the Continuous or Progressive Injury or Damage Exclusion.

Our reasons for denying your claim as stated in this correspondence, while comprehensive are not necessarily exhaustive, or complete. Ironshore specifically reserves the right to supplement, modify or change its reasons for limiting, or denying coverage under any terms conditions, or provisions of the policy as issued regardless of whether those provisions or reasons are now known, or stated herein. If you believe this denial of coverage is in error, Ironshore would appreciate any new or different information you have regarding our analysis or conclusions as stated herein. Ironshore stands willing to review any information or analysis you wish to provide Ironshore regarding this coverage position. Ironshore reserves the right to review the coverage position again, and change or add to it, should additional facts come to Ironshore's attention.

It is expressly understood that any further action undertaken by Ironshore in the investigation or the handling this action shall not be construed as a waiver of the rights of Ironshore to deny coverage under Debard Plumbing, Incorporated's policy.

Ironshore reserves the right to commence and prosecute any legal action including but not limited to a declaratory relief action to obtain a judicial determination of whether the policies afford coverage for any of the claims made or damages sought in this matter.

Note: We appreciate receiving all information electronically whenever possible. Please reference our file number on all correspondence and in the event you

To: Debard Plumbing, Incorporated
Re: Lino, et al. v. Debard Plumbing, Incorporated
Date: December 13, 2011

cannot respond electronically, please respond to the undersigned at the address below.

Yours very truly,

MIDLANDS CLAIM ADMINISTRATORS, INC.
P.O. Box 23198
Oklahoma City, OK 73123
405-840-0950
jpspearman@midman.com

JPS/mb

cc: Zurich
P.O. Box 66965
Chicago, IL 60666-0965

Exhibit 21

Exhibit 21

MIDLANDS

PMA COMPANIES

January 25, 2011

VIA REGULAR & CERTIFIED MAIL
(RETURN RECEIPT REQUESTED)

ATTN OFFICE MANAGER
DEBARD PLUMBING INC
450 S 18TH STREET
SPARKS NV 89431

Re: Shelley Atkins, et al. v. K&M Homes

Insured	:	Debard Plumbing Incorporated
Policy No.	:	0110N0905001
Policy Dates	:	April 6, 2009 to April 6, 2010
Claimant	:	Shelley Atkins, et al.
Project	:	Sky Vista Village
Our File No.	:	115456

Dear Policyholder:

On behalf of Ironshore Specialty Insurance Company (hereinafter, "Ironshore"), this letter will serve to acknowledge receipt of the above captioned matter by this office. We are the claim administrators for this program. Please make note of our claim number and direct all future correspondence to this office, to the attention of this writer using our claim number as a reference.

Based on these documents and other information submitted, we have determined that this claim does not fall within the scope of coverage, or is otherwise excluded from coverage under the Ironshore policy, or policies issued to Debard Plumbing Incorporated. As such, unless additional, new or different information is provided, Ironshore must deny your request for coverage in this matter. Our reasons for concluding that there is no coverage are explained below.

Factual Background

This action involves single-family residences located in the city of Las Vegas, Nevada. It appears Debard Plumbing Incorporated completed their work on the homes/lots involved in this case from 2002 through 2003.

To: Debard Plumbing Incorporated
Re: Shelley Atkins, et al. v. Debard Plumbing Incorporated
Date: January 25, 2011

The documents supplied to us revealed the construction involved in this project was completed by Debard Plumbing Incorporated before the policy inception date.

The Policy

Ironshore issued Policy Number 0110N0905001 with effective dates of April 6, 2009 to April 6, 2010. The policy contains an Each Occurrence Limit of $1,000,000.00 and a General Aggregate Limit in the amount of $2,000,000.00.

Based on the facts of this matter as reported to Ironshore, when compared to the terms, conditions, exclusions and endorsements of the Ironshore policy or policies at issue, this claim does not fall within the coverage provided under the policy or policies under which coverage is being sought.

Declination of Coverage

Ironshore respectfully disclaims coverage in this matter subject to the terms, conditions, exclusions and limits of the Ironshore policy, and the applicable law. Debard Plumbing Incorporated completed their work on this project prior to inception of the policy. Therefore, coverage would not be triggered due in part to the Continuous or Progressive Injury or Damage Exclusion.

Who is an Insured

The policy contains a description of who is considered an insured under the policy. **SECTION II WHO IS AN INSURED**, states:

1. *If you are designated in the Declarations as:*

a. *An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.*

b. *A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.*

c. *A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.*

To: Debard Plumbing Incorporated
Re: Shelley Atkins, et al. v. Debard Plumbing Incorporated
Date: January 25, 2011

d. *An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.*

e. *A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.*

2 *Each of the following is also an insured:*

a. *Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.*

However, none of these "employees" or "volunteer workers" are insureds under this policy with respect to:

(1) *"bodily injury" or "personal and advertising injury":*

(a) *To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a, co-employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;*

(b) *To the spouse, child, parent, brother or sister of that co "employee" or "volunteer worker" as a consequence of Paragraph (i) (a) above;*

(c) *For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (i)(a) or (b) above; or*

(d) *Arising out of his or her providing or failing to provide professional health care services.*

To: Debard Plumbing Incorporated
Re: Shelley Atkins, et al. v. Debard Plumbing Incorporated
Date: January 25, 2011

SECTION II — WHO IS AN INSURED** is amended by Endorsement – **ADDITIONAL INSURED — OWNERS, LESSEES OR CONTRACTORS - AUTOMATIC STATUS WHEN REQUIRED IN CONSTRUCTION AGREEMENT WITH YOU

This endorsement modifies the insurance policy and reads as follows:

A. ***Section II — Who Is An Insured** is amended to include as an additional insured any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy. Such person or organization is an additional insured only with respect to liability for "bodily injury", "property damage' or "personal and advertising injury" caused, in whole or in part, by:*

1. *Your acts or omissions; or*
2. *The acts or omissions of those acting on your behalf;*

in the performance of your ongoing operations for the additional insured.

A person's or organization's status as an additional insured under this endorsement ends when your operations for that additional insured are completed.

It is further agreed that such insurance as is afforded by this Policy for the benefits of an additional insured shall be primary and non-contributory.

B. *With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:*

This insurance does not apply to:

1. *"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:*

a. *The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or*
b. *Supervisory, inspection, architectural or engineering activities.*

2. *"Bodily injury" or "property damage" occurring after:*

To: Debard Plumbing Incorporated
Re: Shelley Atkins, et al. v. Debard Plumbing Incorporated
Date: January 25, 2011

a. *All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or*

b. *That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.*

c. *"Property Damage" which manifests after expiration of the Policy.*

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.

All other terms, exclusions and conditions of the policy remain unchanged.

The Ironshore policy also includes the (IB.EX.014B 7/08Ed) endorsement below:

CONTINUOUS OR PROGRESSIVE INJURY OR DAMAGE EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This insurance does not apply to any "bodily injury' or "property damage":

1. *which first existed, or is alleged to have first existed, prior to the inception date of this policy. "Property damage" from "your work", or the work of any additional insured, performed prior to policy inception will be deemed to have first existed prior to the policy inception, unless such "property damage" is sudden and accidental and takes place within the policy period; or*

2. *which was, or is alleged to have been, in the process of taking place prior to the inception date of this policy, even if the such "bodily injury" or "property damage" continued during this policy period; or*

3. *which is, or is alleged to be, of the same general nature or type as a condition, circumstance or construction defect which resulted in "bodily injury" or "property damage" prior to the inception date of this policy.*

To: Debard Plumbing Incorporated
Re: Shelley Atkins, et al. v. Debard Plumbing Incorporated
Date: January 25, 2011

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.

All other terms, conditions and exclusions remain unchanged.

Ironshore respectfully declines coverage based upon the Continuous or Progressive Injury or Damage Exclusion. The notice of completion date or dates related to this claim indicates that the project was completed by Debard Plumbing Incorporated prior to inception of the Ironshore policy.

Another important aspect of the Ironshore policy is the endorsement below:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – DESIGNATED OPERATIONS COVERED BY A CONSOLIDATED (WRAP-UP) INSURANCE PROGRAM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Description and Location of Operation(s):

All Operations:

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement)

The following exclusion is added to paragraph 2., Exclusions of Coverage A - Bodily Injury and Property Damage Liability (Section I - Coverages):

This insurance does not apply to "bodily injury" or "property damage" arising out of either your ongoing operations or operations included within the "products-completed operations hazard" at the location described in the Schedule of this endorsement, as a consolidated (wrap-up) insurance program has been provided by the prime contractor/project manager or owner of the construction project in which you are involved.

This exclusion applies whether or not the consolidated (wrap-up) insurance program:

To: Debard Plumbing Incorporated
Re: Shelley Atkins, et al. v. Debard Plumbing Incorporated
Date: January 25, 2011

1) Provides coverage identical to that provided by this Coverage Part;
2) Has limits adequate to cover all claims; or
3) Remains in effect.

All other terms, conditions and exclusions remain unchanged.

Conclusion

Based on our review of the materials and information submitted regarding the subject construction project, Ironshore must respectfully decline coverage for this claim. Our reasons for this conclusion include:

- The claims made do not fall within the scope of the insuring agreement as discussed above;

- The project was completed by Debard Plumbing Incorporated prior to the Ironshore policy's issue date and is excluded under the Continuous or Progressive Injury or Damage Exclusion.

Our reasons for denying your claim as stated in this correspondence, while comprehensive are not necessarily exhaustive, or complete. Ironshore specifically reserves the right to supplement, modify or change its reasons for limiting, or denying coverage under any terms conditions, or provisions of the policy as issued regardless of whether those provisions or reasons are now known, or stated herein. If you believe this denial of coverage is in error, Ironshore would appreciate any new or different information you have regarding our analysis or conclusions as stated herein. Ironshore stands willing to review any information or analysis you wish to provide Ironshore regarding this coverage position. Ironshore reserves the right to review the coverage position again, and change or add to it, should additional facts come to Ironshore's attention.

It is expressly understood that any further action undertaken by Ironshore in the investigation or the handling this action shall not be construed as a waiver of the rights of Ironshore to deny coverage under Debard Plumbing Incorporated's policy.

Ironshore reserves the right to commence and prosecute any legal action including but not limited to a declaratory relief action to obtain a judicial determination of whether the policies afford coverage for any of the claims made or damages sought in this matter.

Note: We appreciate receiving all information electronically whenever possible. Please reference our file number on all correspondence and in the event you

To: Debard Plumbing Incorporated
Re: Shelley Atkins, et al. v. Debard Plumbing Incorporated
Date: January 25, 2011

cannot respond electronically, please respond to the undersigned at the address below.

Yours very truly,

MIDLANDS CLAIM ADMINISTRATORS, INC.
P.O. Box 23198
Oklahoma City, OK 73123
405-840-0950
jpspearman@midman.com

JPS/mb

ISIC 1762

Exhibit 22

Exhibit 22

PMA COMPANIES

P.O. Box 23198
Oklahoma City, OK 73123-1778
Phone: 405.840.0950
Fax: 405.840.0584
www.midlandsclaim.com

Midlands Claim Administrators, Inc.
M L Proffitt, Jr
Claims Examiner
MLProffitt@midman.com
405.426.6101 (Direct)

June 21, 2012

VIA REGULAR & CERTIFIED MAIL

Attn Office Manager
JP Construction Company LLC
1544 Pittman Ave
Sparks, NV 89431

Re: Casallas, et al v Barker Coleman Construction, et al
Insured : JP Construction Company LLC
Policy No. : 00CQE0905001 effective February 18, 2009-10
Claimant : Casallas, et al
Our File No. : 127217-MP

Dear Policyholder:

On behalf of Ironshore Specialty Insurance Company (hereinafter, "Ironshore"), this letter will serve to acknowledge receipt of the above captioned matter by this office. We are the claim administrators for this program. Please make note of our claim number and direct all future correspondence to this office, to the attention of this writer using our claim number as a reference.

Based on these documents and other information submitted, we have determined that this claim does not fall within the scope of coverage, or is otherwise excluded from coverage under the Ironshore policy, or policies issued to JP Construction Company LLC. As such, unless additional, new or different information is provided, Ironshore must deny your request for coverage in this matter. Our reasons for concluding that there is no coverage are explained below.

Factual Background

This action involves residences located in the city of Reno, NV. It appears JP Construction Company LLC completed their work on the project(s) involved in this case from 2001 to 2004.

To: JP Construction Company LLC
Re: Casallas, et al v Barker Coleman Construction, et al
Date: June 21, 2012

The documents supplied to us revealed the construction involved in this project was completed by JP Construction Company LLC before the policy inception date.

The Policy

Ironshore issued Policy Number 00CQE0905001 effective February 18, 2009-10. The policy contains an Each Occurrence Limit of $1,000,000.00 and a General Aggregate Limit in the amount of $2,000,000.00.

Based on the facts of this matter as reported to Ironshore, when compared to the terms, conditions, exclusions and endorsements of the Ironshore policy or policies at issue, this claim does not fall within the coverage provided under the policy or policies under which coverage is being sought.

Declination of Coverage

Ironshore respectfully disclaims coverage in this matter subject to the terms, conditions, exclusions and limits of the Ironshore policy, and the applicable law. JP Construction Company LLC completed their work on this project prior to inception of the policy. Therefore, coverage would not be triggered due in part to the Continuous or Progressive Injury or Damage Exclusion.

SECTION I - COVERAGES

COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1 Insuring Agreement

A. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in Section III – Limits of Insurance; and

To: JP Construction Company LLC
Re: Casallas, et al v Barker Coleman Construction, et al
Date: June 21, 2012

(2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages A , B. and C.

B. This Insurance applies to "bodily injury" and "property damage" only if:

(1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and

(2) The "bodily injury" or "property damage" occurs during the policy period; and

(3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

The Ironshore policies contain the following pertinent definitions:

SECTION V - DEFINITIONS

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

14. "Products-completed operations hazard"

a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

(1) Products that are still in your physical possession; or

To: JP Construction Company LLC
Re: Casallas, et al v Barker Coleman Construction, et al
Date: June 21, 2012

(2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

(a) When all of the work called for in your contract has been completed.

(b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.

(c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

b. Does not include "bodily injury" or "property damage" arising out of:

(1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;

(2) The existence of tools, uninstalled equipment or abandoned or unused materials; or

(3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products completed operations are subject to the General Aggregate Limit.

17. "Property Damage" means:

a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

To: JP Construction Company LLC
Re: Casallas, et al v Barker Coleman Construction, et al
Date: June 21, 2012

b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

21. "Your Products":

a. Means:

(1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

(a) You;

(b) Others trading under your name; or

(c) A person or organization whose business or assets you have acquired; and

(2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

22 "Your work":

a. Means:

(1) Work or operations performed by you or on your behalf; and

(2) Materials, parts or equipment furnished in connection with such work or operations.

The Ironshore policies contain the following pertinent Exclusions:

2. Exclusions

j. Damage to Property

(5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or

(6) That particular part of any property that much be restored, repaired or replaced because "your work" was incorrectly performed on it.

To: JP Construction Company LLC
Re: Casallas, et al v Barker Coleman Construction, et al
Date: June 21, 2012

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage to Premises Rented To You as described in Section III – Limits of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard."

This insurance does not apply to:

k. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

l. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

(1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or

(2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

To: JP Construction Company LLC
Re: Casallas, et al v Barker Coleman Construction, et al
Date: June 21, 2012

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended

n. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

(1) "Your product";

(2) "Your work"; or

(3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

Who is an Insured

SECTION II WHO IS AN INSURED, states:

1. *If you are designated in the Declarations as:*

a. *An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.*

b. *A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.*

c. *A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.*

d. *An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your*

To: JP Construction Company LLC
Re: Casallas, et al v Barker Coleman Construction, et al
Date: June 21, 2012

officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

e. *A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.*

2 *Each of the following is also an insured:*

a. *Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts 'within the scope of their employment by you or while performing duties related to the conduct of your business.*

However, none of these "employees" or "volunteer workers" are insureds under this policy with respect to:

(1) *"bodily injury" or "personal and advertising injury":*

(a) *To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a, co-employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;*

(b) *To the spouse, child, parent, brother or sister of that co "employee" or "volunteer worker" as a consequence of Paragraph (1) (a) above;*

(c) *For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1)(a) or (b) above; or*

(d) *Arising out of his or her providing or failing to provide professional health care services.*

The Ironshore policy also includes the (IB.EX.014B 7/08Ed) endorsement below:

To: JP Construction Company LLC
Re: Casallas, et al v Barker Coleman Construction, et al
Date: June 21, 2012

CONTINUOUS OR PROGRESSIVE INJURY OR DAMAGE EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This insurance does not apply to any "bodily injury' or "property damage":

1. *which first existed, or is alleged to have first existed, prior to the inception date of this policy. "Property damage" from "your work", or the work of any additional insured, performed prior to policy inception will be deemed to have first existed prior to the policy inception, unless such "property damage" is sudden and accidental and takes place within the policy period; or*

2. *which was, or is alleged to have been, in the process of taking place prior to the inception date of this policy, even if the such "bodily injury" or "property damage" continued during this policy period; or*

3. *which is, or is alleged to be, of the same general nature or type as a condition, circumstance or construction defect which resulted in "bodily injury" or "property damage" prior to the inception date of this policy.*

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.

All other terms, conditions and exclusions remain unchanged.

Ironshore respectfully declines coverage based upon the Continuous or Progressive Injury or Damage Exclusion. Paragraph (1) of the Continuous Damage Exclusion provides that (a) property damage from the insured's work performed prior to the policy period will be deemed to have existed prior to the policy period and (b) there is no coverage for property damage which first existed or is alleged to have existed prior to inception of the policy. Here, the dates for JP Construction Company LLC's work at the subject properties are all prior to the policy inception date. Therefore, even if property damage occurred at the properties within the policy period, the Continuous Damage Exclusion operates to exclude coverage where JP Construction Company LLC's work was performed prior to the policy period.

Paragraph (1) of the Continuous Damage Exclusion contains an exception to the exclusion for property damage that is sudden and accidental and takes place within the

policy period. It is JP Construction Company LLC's or West Coast Home Builders's burden to show the claim falls within the exception to the exclusion.

Another important aspect of the Ironshore policy is the endorsement below:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – DESIGNATED OPERATIONS COVERED BY A CONSOLIDATED (WRAP-UP) INSURANCE PROGRAM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Description and Location of Operation(s):

All Operations:

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement)

The following exclusion is added to paragraph 2., Exclusions of Coverage A - Bodily Injury and Property Damage Liability (Section I - Coverages):

This insurance does not apply to "bodily injury" or "property damage" arising out of either your ongoing operations or operations included within the "products-completed operations hazard" at the location described in the Schedule of this endorsement, as a consolidated (wrap-up) insurance program has been provided by the prime contractor/project manager or owner of the construction project in which you are involved.

This exclusion applies whether or not the consolidated (wrap-up) insurance program:
1) Provides coverage identical to that provided by this Coverage Part;
2) Has limits adequate to cover all claims; or
3) Remains in effect.

All other terms, conditions and exclusions remain unchanged.

To: JP Construction Company LLC
Re: Casallas, et al v Barker Coleman Construction, et al
Date: June 21, 2012

Conclusion

Based on our review of the materials and information submitted regarding the subject construction project, Ironshore must respectfully decline coverage for this claim. Our reasons for this conclusion include:

- The claims made do not fall within the scope of the insuring agreement as discussed above;
- The project was completed by JP Construction Company LLC prior to the Ironshore policy's issue date and is excluded under the Continuous or Progressive Injury or Damage Exclusion.

Our reasons for denying your claim as stated in this correspondence, while comprehensive are not necessarily exhaustive, or complete. Ironshore specifically reserves the right to supplement, modify or change its reasons for limiting, or denying coverage under any terms conditions, or provisions of the policy as issued regardless of whether those provisions or reasons are now known, or stated herein. If you believe this denial of coverage is in error, Ironshore would appreciate any new or different information you have regarding our analysis or conclusions as stated herein. Ironshore stands willing to review any information or analysis you wish to provide Ironshore regarding this coverage position. Ironshore reserves the right to review the coverage position again, and change or add to it, should additional facts come to Ironshore's attention.

It is expressly understood that any further action undertaken by Ironshore in the investigation or the handling this action shall not be construed as a waiver of the rights of Ironshore to deny coverage under JP Construction Company LLC's policy.

Ironshore reserves the right to commence and prosecute any legal action including but not limited to a declaratory relief action to obtain a judicial determination of whether the policies afford coverage for any of the claims made or damages sought in this matter.

Note: We appreciate receiving all information electronically whenever possible. Please reference our file number on all correspondence and in the event you cannot respond electronically, please respond to the undersigned using the contact information on the first page letterhead.

To: JP Construction Company LLC
Re: Casallas, et al v Barker Coleman Construction, et al
Date: June 21, 2012

Yours very truly,

M. L. Proffitt, Jr.

MP/mb

cc: Zurich
P. O. Box 66965
Chicago, IL 60666-0965

National Fire and Marine
3024 Harney Street
Omaha, NE 68131

Dallas National Fire and Marine
3024 Harney Street
Omaha, NE 68131

Bauman Loewe Witt & Maxwell PLLC
8765 E Bell Road # 204
Scottsdale, AZ 85260

ISIC 2298

Exhibit 23

Exhibit 23

PMA COMPANIES
P.O. Box 23198
Oklahoma City, OK 73123-1778
Phone: 405.840.0950
Fax: 405.840.0584
www.midlandsclaim.com

Midlands Claim Administrators, Inc.
M L Proffitt, Jr
Claims Examiner
MLProffitt@midman.com
405.426.6101 (Direct)

June 21, 2012

VIA REGULAR & CERTIFIED MAIL

Attn Office Manager
JP Construction Company LLC
1544 Pittman Ave
Sparks, NV 89431

Re: Casallas, et al v Barker Coleman Construction, et al
Insured : JP Construction Company LLC
Policy No. : 000143201 effective February 18, 2010-11
Claimant : Casallas, et al
Our File No. : 127220-MP

Dear Policyholder:

On behalf of Ironshore Specialty Insurance Company (hereinafter, "Ironshore"), this letter will serve to acknowledge receipt of the above captioned matter by this office. We are the claim administrators for this program. Please make note of our claim number and direct all future correspondence to this office, to the attention of this writer using our claim number as a reference.

Based on these documents and other information submitted, we have determined that this claim does not fall within the scope of coverage, or is otherwise excluded from coverage under the Ironshore policy, or policies issued to JP Construction Company LLC. As such, unless additional, new or different information is provided, Ironshore must deny your request for coverage in this matter. Our reasons for concluding that there is no coverage are explained below.

Factual Background

This action involves residences located in the city of Reno, NV. It appears JP Construction Company LLC completed their work on the project(s) involved in this case from 2001 to 2004.

To: JP Construction Company LLC
Re: Casallas, et al v Barker Coleman Construction, et al
Date: June 21, 2012

The documents supplied to us revealed the construction involved in this project was completed by JP Construction Company LLC before the policy inception date.

The Policy

Ironshore issued Policy Number 000143201 effective February 18, 2010-11. The policy contains an Each Occurrence Limit of $1,000,000.00 and a General Aggregate Limit in the amount of $2,000,000.00.

Based on the facts of this matter as reported to Ironshore, when compared to the terms, conditions, exclusions and endorsements of the Ironshore policy or policies at issue, this claim does not fall within the coverage provided under the policy or policies under which coverage is being sought.

Declination of Coverage

Ironshore respectfully disclaims coverage in this matter subject to the terms, conditions, exclusions and limits of the Ironshore policy, and the applicable law. JP Construction Company LLC completed their work on this project prior to inception of the policy. Therefore, coverage would not be triggered due in part to the Continuous or Progressive Injury or Damage Exclusion.

SECTION I - COVERAGES

COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1 Insuring Agreement

A. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in Section III – Limits of Insurance; and

To: JP Construction Company LLC
Re: Casallas, et al v Barker Coleman Construction, et al
Date: June 21, 2012

(2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages A , B. and C.

B. This Insurance applies to "bodily injury" and "property damage" only if:

(1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and

(2) The "bodily injury" or "property damage" occurs during the policy period; and

(3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

The Ironshore policies contain the following pertinent definitions:

SECTION V - DEFINITIONS

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

14. "Products-completed operations hazard"

a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

(1) Products that are still in your physical possession; or

To: JP Construction Company LLC
Re: Casallas, et al v Barker Coleman Construction, et al
Date: June 21, 2012

(2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

(a) When all of the work called for in your contract has been completed.

(b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.

(c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

b. Does not include "bodily injury" or "property damage" arising out of:

(1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;

(2) The existence of tools, uninstalled equipment or abandoned or unused materials; or

(3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products completed operations are subject to the General Aggregate Limit.

17. "Property Damage" means:

a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

To: JP Construction Company LLC
Re: Casallas, et al v Barker Coleman Construction, et al
Date; June 21, 2012

b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

21. "Your Products":

a. Means:

(1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

(a) You;

(b) Others trading under your name; or

(c) A person or organization whose business or assets you have acquired; and

(2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

22 "Your work":

a. Means:

(1) Work or operations performed by you or on your behalf; and

(2) Materials, parts or equipment furnished in connection with such work or operations.

The Ironshore policies contain the following pertinent Exclusions:

2. Exclusions

j. Damage to Property

(5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or

(6) That particular part of any property that much be restored, repaired or replaced because "your work" was incorrectly performed on it.

To: JP Construction Company LLC
Re: Casallas, et al v Barker Coleman Construction, et al
Date: June 21, 2012

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage to Premises Rented To You as described in Section III – Limits of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard."

This insurance does not apply to:

k. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

l. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

(1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or

(2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

To: JP Construction Company LLC
Re: Casallas, et al v Barker Coleman Construction, et al
Date: June 21, 2012

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended

n. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

(1) "Your product";

(2) "Your work"; or

(3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

Who is an Insured

SECTION II WHO IS AN INSURED, states:

1. If you are designated in the Declarations as:

a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.

b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.

c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.

d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your

To: JP Construction Company LLC
Re: Casallas, et al v Barker Coleman Construction, et al
Date: June 21, 2012

officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

e. *A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.*

2 *Each of the following is also an insured:*

a. *Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts 'within the scope of their employment by you or while performing duties related to the conduct of your business.*

However, none of these "employees" or "volunteer workers" are insureds under this policy with respect to:

(1) *"bodily injury" or "personal and advertising injury":*

(a) *To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a, co-employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;*

(b) *To the spouse, child, parent, brother or sister of that co "employee" or "volunteer worker" as a consequence of Paragraph (1) (a) above;*

(c) *For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1)(a) or (b) above; or*

(d) *Arising out of his or her providing or failing to provide professional health care services.*

The Ironshore policy also includes the (IB.EX.014B 7/08Ed) endorsement below:

To: JP Construction Company LLC
Re: Casallas, et al v Barker Coleman Construction, et al
Date: June 21, 2012

CONTINUOUS OR PROGRESSIVE INJURY OR DAMAGE EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This insurance does not apply to any "bodily injury' or "property damage":

1. *which first existed, or is alleged to have first existed, prior to the inception date of this policy. "Property damage" from "your work", or the work of any additional insured, performed prior to policy inception will be deemed to have first existed prior to the policy inception, unless such "property damage" is sudden and accidental and takes place within the policy period; or*

2. *which was, or is alleged to have been, in the process of taking place prior to the inception date of this policy, even if the such "bodily injury" or "property damage" continued during this policy period; or*

3. *which is, or is alleged to be, of the same general nature or type as a condition, circumstance or construction defect which resulted in "bodily injury" or "property damage" prior to the inception date of this policy.*

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.

All other terms, conditions and exclusions remain unchanged.

Ironshore respectfully declines coverage based upon the Continuous or Progressive Injury or Damage Exclusion. Paragraph (1) of the Continuous Damage Exclusion provides that (a) property damage from the insured's work performed prior to the policy period will be deemed to have existed prior to the policy period and (b) there is no coverage for property damage which first existed or is alleged to have existed prior to inception of the policy. Here, the dates for JP Construction Company LLC's work at the subject properties are all prior to the policy inception date. Therefore, even if property damage occurred at the properties within the policy period, the Continuous Damage Exclusion operates to exclude coverage where JP Construction Company LLC's work was performed prior to the policy period.

Paragraph (1) of the Continuous Damage Exclusion contains an exception to the exclusion for property damage that is sudden and accidental and takes place within the

policy period. It is JP Construction Company LLC's or West Coast Home Builders's burden to show the claim falls within the exception to the exclusion.

Another important aspect of the Ironshore policy is the endorsement below:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – DESIGNATED OPERATIONS COVERED BY A CONSOLIDATED (WRAP-UP) INSURANCE PROGRAM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Description and Location of Operation(s):

All Operations:

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement)

The following exclusion is added to paragraph 2., Exclusions of Coverage A - Bodily Injury and Property Damage Liability (Section I - Coverages):

This insurance does not apply to "bodily injury" or "property damage" arising out of either your ongoing operations or operations included within the "products-completed operations hazard" at the location described in the Schedule of this endorsement, as a consolidated (wrap-up) insurance program has been provided by the prime contractor/project manager or owner of the construction project in which you are involved.

This exclusion applies whether or not the consolidated (wrap-up) insurance program:
1) Provides coverage identical to that provided by this Coverage Part;
2) Has limits adequate to cover all claims; or
3) Remains in effect.

All other terms, conditions and exclusions remain unchanged.

To: JP Construction Company LLC
Re: Casallas, et al v Barker Coleman Construction, et al
Date: June 21, 2012

Conclusion

Based on our review of the materials and information submitted regarding the subject construction project, Ironshore must respectfully decline coverage for this claim. Our reasons for this conclusion include:

- The claims made do not fall within the scope of the insuring agreement as discussed above;
- The project was completed by JP Construction Company LLC prior to the Ironshore policy's issue date and is excluded under the Continuous or Progressive Injury or Damage Exclusion.

Our reasons for denying your claim as stated in this correspondence, while comprehensive are not necessarily exhaustive, or complete. Ironshore specifically reserves the right to supplement, modify or change its reasons for limiting, or denying coverage under any terms conditions, or provisions of the policy as issued regardless of whether those provisions or reasons are now known, or stated herein. If you believe this denial of coverage is in error, Ironshore would appreciate any new or different information you have regarding our analysis or conclusions as stated herein. Ironshore stands willing to review any information or analysis you wish to provide Ironshore regarding this coverage position. Ironshore reserves the right to review the coverage position again, and change or add to it, should additional facts come to Ironshore's attention.

It is expressly understood that any further action undertaken by Ironshore in the investigation or the handling this action shall not be construed as a waiver of the rights of Ironshore to deny coverage under JP Construction Company LLC's policy.

Ironshore reserves the right to commence and prosecute any legal action including but not limited to a declaratory relief action to obtain a judicial determination of whether the policies afford coverage for any of the claims made or damages sought in this matter.

Note: We appreciate receiving all information electronically whenever possible. Please reference our file number on all correspondence and in the event you cannot respond electronically, please respond to the undersigned using the contact information on the first page letterhead.

To: JP Construction Company LLC
Re: Casallas, et al v Barker Coleman Construction, et al
Date: June 21, 2012

Yours very truly,

M. L. Proffitt, Jr.

MP/mb

cc: Zurich
P. O. Box 66965
Chicago, IL 60666-0965

National Fire and Marine
3024 Harney Street
Omaha, NE 68131

Dallas National Fire and Marine
3024 Harney Street
Omaha, NE 68131

Bauman Loewe Witt & Maxwell PLLC
8765 E Bell Road # 204
Scottsdale, AZ 85260

ISIC 2216

Exhibit 24

Exhibit 24

MIDLANDS

May 27, 2011

VIA REGULAR & CERTIFIED MAIL
(RETURN RECEIPT REQUESTED)

ATTN OFFICE MANAGER
SOUTHWEST FOUNDATIONS
513 EASTGATE RD
HENDERSON NV 89011

Re: Bennett, et al. v. American West Homes

Insured	:	Southwest Foundations
Policy No.	:	017BW0905001
Policy Dates	:	April 15, 2009 to April 15, 2010
Claimant	:	Bennett, et al.
Project	:	Classics
Our File No.	:	118149

Dear Southwest Foundations:

On behalf of Ironshore Specialty Insurance Company (hereinafter, "Ironshore"), this letter will serve to acknowledge receipt of the above captioned matter by this office. We are the claim administrators for this program. Please make note of our claim number and direct all future correspondence to this office, to the attention of this writer using our claim number as a reference.

Based on these documents and other information submitted, we have determined that this claim does not fall within the scope of coverage, or is otherwise excluded from coverage under the Ironshore policy, or policies issued to Southwest Foundations. As such, unless additional, new or different information is provided, Ironshore must deny your request for coverage in this matter. Our reasons for concluding that there is no coverage are explained below.

Factual Background

This action involves single-family residences located in the city of Las Vegas, Nevada. It appears Southwest Foundations completed their work on the homes/lots involved in this case from 1996 though 1999.

To: Southwest Foundations
Re: Bennett, et al. v. Southwest Foundations
Date: May 27, 2011

The documents supplied to us revealed the construction involved in this project was completed by Southwest Foundations before the policy inception date.

The Policy

Ironshore issued Policy Number 017BW0905001 with effective dates of April 15, 2009 to April 15, 2010. The policy contains an Each Occurrence Limit of $1,000,000.00 and a General Aggregate Limit in the amount of $2,000,000.00.

Based on the facts of this matter as reported to Ironshore, when compared to the terms, conditions, exclusions and endorsements of the Ironshore policy or policies at issue, this claim does not fall within the coverage provided under the policy or policies under which coverage is being sought.

Declination of Coverage

Ironshore respectfully disclaims coverage in this matter subject to the terms, conditions, exclusions and limits of the Ironshore policy, and the applicable law. Southwest Foundations completed their work on this project prior to inception of the policy. Therefore, coverage would not be triggered due in part to the Continuous or Progressive Injury or Damage Exclusion.

Who is an Insured

The policy contains a description of who is considered an insured under the policy. **SECTION II WHO IS AN INSURED**, states:

1. *If you are designated in the Declarations as:*

   a. *An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.*

   b. *A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.*

   c. *A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.*

To: Southwest Foundations
Re: Bennett, et al. v. Southwest Foundations
Date: May 27, 2011

d. *An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.*

e. *A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.*

2 *Each of the following is also an insured:*

a. *Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts 'within the scope of their employment by you or while performing duties related to the conduct of your business.*

However, none of these "employees" or "volunteer workers" are insureds under this policy with respect to:

(1) *"bodily injury" or "personal and advertising injury":*

(a) *To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a, co-employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;*

(b) *To the spouse, child, parent, brother or sister of that co "employee" or "volunteer worker" as a consequence of Paragraph (i) (a) above;*

(c) *For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (i)(a) or (b) above; or*

(d) *Arising out of his or her providing or failing to provide professional health care services.*

To: Southwest Foundations
Re: Bennett, et al. v. Southwest Foundations
Date: May 27, 2011

SECTION II — WHO IS AN INSURED** is amended by Endorsement – **ADDITIONAL INSURED — OWNERS, LESSEES OR CONTRACTORS - AUTOMATIC STATUS WHEN REQUIRED IN CONSTRUCTION AGREEMENT WITH YOU

This endorsement modifies the insurance policy and reads as follows:

A. ***Section II — Who Is An Insured** is amended to include as an additional insured any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy. Such person or organization is an additional insured only with respect to liability for "bodily injury", "property damage' or "personal and advertising injury" caused, in whole or in part, by:*

1. *Your acts or omissions; or*
2. *The acts or omissions of those acting on your behalf;*

in the performance of your ongoing operations for the additional insured.

A person's or organization's status as an additional insured under this endorsement ends when your operations for that additional insured are completed.

It is further agreed that such insurance as is afforded by this Policy for the benefits of an additional insured shall be primary and non-contributory.

B. *With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:*

This insurance does not apply to:

1. *"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:*

a. *The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or*
b. *Supervisory, inspection, architectural or engineering activities.*

2. *"Bodily injury" or "property damage" occurring after:*

To: Southwest Foundations
Re: Bennett, et al. v. Southwest Foundations
Date: May 27, 2011

a. *All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or*

b. *That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.*

c. *"Property Damage" which manifests after expiration of the Policy.*

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.

All other terms, exclusions and conditions of the policy remain unchanged.

The Ironshore policy also includes the (IB.EX.014B 7/08Ed) endorsement below:

CONTINUOUS OR PROGRESSIVE INJURY OR DAMAGE EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This insurance does not apply to any "bodily injury' or "property damage":

1. *which first existed, or is alleged to have first existed, prior to the inception date of this policy. "Property damage" from "your work", or the work of any additional insured, performed prior to policy inception will be deemed to have first existed prior to the policy inception, unless such "property damage" is sudden and accidental and takes place within the policy period; or*

2. *which was, or is alleged to have been, in the process of taking place prior to the inception date of this policy, even if the such "bodily injury" or "property damage" continued during this policy period; or*

3. *which is, or is alleged to be, of the same general nature or type as a condition, circumstance or construction defect which resulted in "bodily injury" or "property damage" prior to the inception date of this policy.*

To: Southwest Foundations
Re: Bennett, et al. v. Southwest Foundations
Date: May 27, 2011

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.

All other terms, conditions and exclusions remain unchanged.

Ironshore respectfully declines coverage based upon the Continuous or Progressive Injury or Damage Exclusion. The notice of completion date or dates related to this claim indicates that the project was completed by Southwest Foundations prior to inception of the Ironshore policy.

Another important aspect of the Ironshore policy is the endorsement below:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – DESIGNATED OPERATIONS COVERED BY A CONSOLIDATED (WRAP-UP) INSURANCE PROGRAM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Description and Location of Operation(s):

All Operations:

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement)

The following exclusion is added to paragraph 2.,
Exclusions of Coverage A - Bodily Injury and Property Damage Liability (Section I - Coverages):

This insurance does not apply to "bodily injury" or "property damage" arising out of either your ongoing operations or operations included within the "products-completed operations hazard" at the location described in the Schedule of this endorsement, as a consolidated (wrap-up) insurance program has been provided by the prime contractor/project manager or owner of the construction project in which you are involved.

This exclusion applies whether or not the consolidated (wrap-up) insurance program:

To: Southwest Foundations
Re: Bennett, et al. v. Southwest Foundations
Date: May 27, 2011

1) Provides coverage identical to that provided by this Coverage Part;
2) Has limits adequate to cover all claims; or
3) Remains in effect.

All other terms, conditions and exclusions remain unchanged.

Conclusion

Based on our review of the materials and information submitted regarding the subject construction project, Ironshore must respectfully decline coverage for this claim. Our reasons for this conclusion include:

- The claims made do not fall within the scope of the insuring agreement as discussed above;

- The project was completed by Southwest Foundations prior to the Ironshore policy's issue date and is excluded under the Continuous or Progressive Injury or Damage Exclusion.

Our reasons for denying your claim as stated in this correspondence, while comprehensive are not necessarily exhaustive, or complete. Ironshore specifically reserves the right to supplement, modify or change its reasons for limiting, or denying coverage under any terms conditions, or provisions of the policy as issued regardless of whether those provisions or reasons are now known, or stated herein. If you believe this denial of coverage is in error, Ironshore would appreciate any new or different information you have regarding our analysis or conclusions as stated herein. Ironshore stands willing to review any information or analysis you wish to provide Ironshore regarding this coverage position. Ironshore reserves the right to review the coverage position again, and change or add to it, should additional facts come to Ironshore's attention.

It is expressly understood that any further action undertaken by Ironshore in the investigation or the handling this action shall not be construed as a waiver of the rights of Ironshore to deny coverage under Southwest Foundations's policy.

Ironshore reserves the right to commence and prosecute any legal action including but not limited to a declaratory relief action to obtain a judicial determination of whether the policies afford coverage for any of the claims made or damages sought in this matter.

Note: We appreciate receiving all information electronically whenever possible. Please reference our file number on all correspondence and in the event you

To: Southwest Foundations
Re: Bennett, et al. v. Southwest Foundations
Date: May 27, 2011

cannot respond electronically, please respond to the undersigned at the address below.

Yours very truly,

Trisha Davis
MIDLANDS CLAIM ADMINISTRATORS, INC.
P.O. Box 23198
Oklahoma City, OK 73123
405-840-0950
jpspearman@midman.com

JPS/mb

cc: Attn: Rachael Rutherford
Zurich North America
P.O. Box 66965
Chicago, IL 60666-0965

ISIC 2475

Exhibit 25

Exhibit 25

MIDLANDS

PMA COMPANIES

May 27, 2011

VIA REGULAR & CERTIFIED MAIL
(RETURN RECEIPT REQUESTED)

ATTN OFFICE MANAGER
SOUTHWEST FOUNDATIONS
513 EASTGATE RD
HENDERSON NV 89011

Re: Bennett, et al. v. American West Homes

Insured	:	Southwest Foundations
Policy No.	:	000242101
Policy Dates	:	April 15, 2010 to April 15, 2011
Claimant	:	Bennett, et al.
Project	:	Classics
Our File No.	:	118151

Dear Southwest Foundations:

On behalf of Ironshore Specialty Insurance Company (hereinafter, "Ironshore"), this letter will serve to acknowledge receipt of the above captioned matter by this office. We are the claim administrators for this program. Please make note of our claim number and direct all future correspondence to this office, to the attention of this writer using our claim number as a reference.

Based on these documents and other information submitted, we have determined that this claim does not fall within the scope of coverage, or is otherwise excluded from coverage under the Ironshore policy, or policies issued to Southwest Foundations. As such, unless additional, new or different information is provided, Ironshore must deny your request for coverage in this matter. Our reasons for concluding that there is no coverage are explained below.

Factual Background

This action involves single-family residences located in the city of Las Vegas, Nevada. It appears Southwest Foundations completed their work on the homes/lots involved in this case from 1996 though 1999.

To: Southwest Foundations
Re: Bennett, et al. v. Southwest Foundations
Date: May 27, 2011

The documents supplied to us revealed the construction involved in this project was completed by Southwest Foundations before the policy inception date.

The Policy

Ironshore issued Policy Number 000242101 with effective dates of April 15, 2010 to April 15, 2011. The policy contains an Each Occurrence Limit of $1,000,000.00 and a General Aggregate Limit in the amount of $2,000,000.00.

Based on the facts of this matter as reported to Ironshore, when compared to the terms, conditions, exclusions and endorsements of the Ironshore policy or policies at issue, this claim does not fall within the coverage provided under the policy or policies under which coverage is being sought.

Declination of Coverage

Ironshore respectfully disclaims coverage in this matter subject to the terms, conditions, exclusions and limits of the Ironshore policy, and the applicable law. Southwest Foundations completed their work on this project prior to inception of the policy. Therefore, coverage would not be triggered due in part to the Continuous or Progressive Injury or Damage Exclusion.

Who is an Insured

The policy contains a description of who is considered an insured under the policy. **SECTION II WHO IS AN INSURED**, states:

1. *If you are designated in the Declarations as:*

   a. *An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.*

   b. *A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.*

   c. *A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.*

To: Southwest Foundations
Re: Bennett, et al. v. Southwest Foundations
Date: May 27, 2011

d. *An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.*

e. *A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.*

2 *Each of the following is also an insured:*

a. *Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts 'within the scope of their employment by you or while performing duties related to the conduct of your business.*

However, none of these "employees" or "volunteer workers" are insureds under this policy with respect to:

(1) *"bodily injury" or "personal and advertising injury":*

(a) *To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a, co-employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;*

(b) *To the spouse, child, parent, brother or sister of that co "employee" or "volunteer worker" as a consequence of Paragraph (i) (a) above;*

(c) *For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (i)(a) or (b) above; or*

(d) *Arising out of his or her providing or failing to provide professional health care services.*

To: Southwest Foundations
Re: Bennett, et al. v. Southwest Foundations
Date: May 27, 2011

SECTION II — WHO IS AN INSURED** is amended by Endorsement – **ADDITIONAL INSURED — OWNERS, LESSEES OR CONTRACTORS - AUTOMATIC STATUS WHEN REQUIRED IN CONSTRUCTION AGREEMENT WITH YOU

This endorsement modifies the insurance policy and reads as follows:

A. ***Section II — Who Is An Insured** is amended to include as an additional insured any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy. Such person or organization is an additional insured only with respect to liability for "bodily injury", "property damage' or "personal and advertising injury" caused, in whole or in part, by:*

1. *Your acts or omissions; or*
2. *The acts or omissions of those acting on your behalf;*

in the performance of your ongoing operations for the additional insured.

A person's or organization's status as an additional insured under this endorsement ends when your operations for that additional insured are completed.

It is further agreed that such insurance as is afforded by this Policy for the benefits of an additional insured shall be primary and non-contributory.

B. *With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:*

This insurance does not apply to:

1. *"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:*

a. *The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or*
b. *Supervisory, inspection, architectural or engineering activities.*

2. *"Bodily injury" or "property damage" occurring after:*

To: Southwest Foundations
Re: Bennett, et al. v. Southwest Foundations
Date: May 27, 2011

a. *All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or*

b. *That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.*

c. *"Property Damage" which manifests after expiration of the Policy.*

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.

All other terms, exclusions and conditions of the policy remain unchanged.

The Ironshore policy also includes the (IB.EX.014B 7/08Ed) endorsement below:

CONTINUOUS OR PROGRESSIVE INJURY OR DAMAGE EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This insurance does not apply to any "bodily injury' or "property damage":

1. *which first existed, or is alleged to have first existed, prior to the inception date of this policy. "Property damage" from "your work", or the work of any additional insured, performed prior to policy inception will be deemed to have first existed prior to the policy inception, unless such "property damage" is sudden and accidental and takes place within the policy period; or*

2. *which was, or is alleged to have been, in the process of taking place prior to the inception date of this policy, even if the such "bodily injury" or "property damage" continued during this policy period; or*

3. *which is, or is alleged to be, of the same general nature or type as a condition, circumstance or construction defect which resulted in "bodily injury" or "property damage" prior to the inception date of this policy.*

To: Southwest Foundations
Re: Bennett, et al. v. Southwest Foundations
Date: May 27, 2011

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.

All other terms, conditions and exclusions remain unchanged.

Ironshore respectfully declines coverage based upon the Continuous or Progressive Injury or Damage Exclusion. The notice of completion date or dates related to this claim indicates that the project was completed by Southwest Foundations prior to inception of the Ironshore policy.

Another important aspect of the Ironshore policy is the endorsement below:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – DESIGNATED OPERATIONS COVERED BY A CONSOLIDATED (WRAP-UP) INSURANCE PROGRAM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Description and Location of Operation(s):

All Operations:

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement)

The following exclusion is added to paragraph 2., Exclusions of Coverage A - Bodily Injury and Property Damage Liability (Section I - Coverages):

This insurance does not apply to "bodily injury" or "property damage" arising out of either your ongoing operations or operations included within the "products-completed operations hazard" at the location described in the Schedule of this endorsement, as a consolidated (wrap-up) insurance program has been provided by the prime contractor/project manager or owner of the construction project in which you are involved.

This exclusion applies whether or not the consolidated (wrap-up) insurance program:

To: Southwest Foundations
Re: Bennett, et al. v. Southwest Foundations
Date: May 27, 2011

1) Provides coverage identical to that provided by this Coverage Part;
2) Has limits adequate to cover all claims; or
3) Remains in effect.

All other terms, conditions and exclusions remain unchanged.

Conclusion

Based on our review of the materials and information submitted regarding the subject construction project, Ironshore must respectfully decline coverage for this claim. Our reasons for this conclusion include:

- The claims made do not fall within the scope of the insuring agreement as discussed above;

- The project was completed by Southwest Foundations prior to the Ironshore policy's issue date and is excluded under the Continuous or Progressive Injury or Damage Exclusion.

Our reasons for denying your claim as stated in this correspondence, while comprehensive are not necessarily exhaustive, or complete. Ironshore specifically reserves the right to supplement, modify or change its reasons for limiting, or denying coverage under any terms conditions, or provisions of the policy as issued regardless of whether those provisions or reasons are now known, or stated herein. If you believe this denial of coverage is in error, Ironshore would appreciate any new or different information you have regarding our analysis or conclusions as stated herein. Ironshore stands willing to review any information or analysis you wish to provide Ironshore regarding this coverage position. Ironshore reserves the right to review the coverage position again, and change or add to it, should additional facts come to Ironshore's attention.

It is expressly understood that any further action undertaken by Ironshore in the investigation or the handling this action shall not be construed as a waiver of the rights of Ironshore to deny coverage under Southwest Foundations's policy.

Ironshore reserves the right to commence and prosecute any legal action including but not limited to a declaratory relief action to obtain a judicial determination of whether the policies afford coverage for any of the claims made or damages sought in this matter.

Note: We appreciate receiving all information electronically whenever possible. Please reference our file number on all correspondence and in the event you

To: Southwest Foundations
Re: Bennett, et al. v. Southwest Foundations
Date: May 27, 2011

cannot respond electronically, please respond to the undersigned at the address below.

Yours very truly,

Trisha Davis
MIDLANDS CLAIM ADMINISTRATORS, INC.
P.O. Box 23198
Oklahoma City, OK 73123
405-840-0950

JPS/mb

cc: Attn: Rachael Rutherford
Zurich North America
P.O. Box 66965
Chicago, IL 60666-0965

ISIC 2452

Exhibit 26

Exhibit 26

August 29, 2012

VIA REGULAR & CERTIFIED MAIL

Attn Office Manager
P R Construction LLC
4201 Cannoli Circle
Las Vegas, NV 89103

Re: Boyer, et al v Pulte Homes, et al

Insured	:	P R Construction LLC
Policy No.	:	00XXV0905001 effective January 31, 2009-10
		000115801 effective January 31, 2010-11
Claimant	:	Boyer, et al
Our File No.	:	127212-MP
		127213-MP

Dear Policyholder:

On behalf of Ironshore Specialty Insurance Company (hereinafter, "Ironshore"), this letter will serve to acknowledge receipt of the above captioned matter by this office. We are the claim administrators for this program. Please make note of our claim number and direct all future correspondence to this office, to the attention of this writer using our claim number as a reference.

Based on these documents and other information submitted, we have determined that this claim does not fall within the scope of coverage, or is otherwise excluded from coverage under the Ironshore policy, or policies issued to P R Construction LLC. As such, unless additional, new or different information is provided, Ironshore must deny your request for coverage in this matter. Our reasons for concluding that there is no coverage are explained below.

Factual Background

This action involves allegations of construction defect and property damage made by the owners of residences located in the city of North Las Vegas, NV.

It appears P R Construction LLC completed their work on the project(s) involved in this case from November 10, 1998 to November 21, 2002.

The documents supplied to us revealed the construction involved in this project was completed by P R Construction LLC before the policy inception date.

The Policies

Ironshore issued Policy Number 00XXV0905001 effective January 31, 2009-10. The policy contains an Each Occurrence Limit of $1,000,000.00 and a General Aggregate Limit in the amount of $2,000,000.00.

Ironshore issued Policy Number 000115801 effective January 31, 2010-11. The policy contains an Each Occurrence Limit of $1,000,000.00 and a General Aggregate Limit in the amount of $2,000,000.00.

Based on the facts of this matter as reported to Ironshore, when compared to the terms, conditions, exclusions and endorsements of the Ironshore policy or policies at issue, this claim does not fall within the coverage provided under the policy or policies under which coverage is being sought.

Declination of Coverage

Ironshore respectfully disclaims coverage in this matter subject to the terms, conditions, exclusions and limits of the Ironshore policy, and the applicable law. P R Construction LLC completed their work on this project prior to inception of the policy. Therefore, coverage would not be triggered due in part to the Continuous or Progressive Injury or Damage Exclusion.

SECTION I - COVERAGES

COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1 Insuring Agreement

A. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily

injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in Section III – Limits of Insurance; and

(2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages A , B. and C.

B. This Insurance applies to "bodily injury" and "property damage" only if:

(1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and

(2) The "bodily injury" or "property damage" occurs during the policy period; and

(3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

The Ironshore policies contain the following pertinent definitions:

SECTION V - DEFINITIONS

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

14. "Products-completed operations hazard"

a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

(1) Products that are still in your physical possession; or

(2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

(a) When all of the work called for in your contract has been completed.

(b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.

(c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

b. Does not include "bodily injury" or "property damage" arising out of:

(1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;

(2) The existence of tools, uninstalled equipment or abandoned or unused materials; or

(3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products completed operations are subject to the General Aggregate Limit.

17. "Property Damage" means:

a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

21. "Your Products":

a. Means:

(1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

(a) You;

(b) Others trading under your name; or

(c) A person or organization whose business or assets you have acquired; and

(2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

22 "Your work":

a. Means:

(1) Work or operations performed by you or on your behalf; and

(2) Materials, parts or equipment furnished in connection with such work or operations.

The Ironshore policies contain the following pertinent Exclusions:

2. Exclusions

j. Damage to Property

(5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or

(6) That particular part of any property that much be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage to Premises Rented To You as described in Section III – Limits of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard."

This insurance does not apply to:

k. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

l. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

(1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or

(2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended

n. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

(1) "Your product";

(2) "Your work"; or

(3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

Who is an Insured

SECTION II WHO IS AN INSURED, states:

1. *If you are designated in the Declarations as:*

a. *An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.*

b. *A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.*

c. *A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.*

d. *An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.*

e. *A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.*

2 *Each of the following is also an insured:*

a. *Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts 'within the scope of their employment by you or while performing duties related to the conduct of your business.*

However, none of these "employees" or "volunteer workers" are insureds under this policy with respect to:

(1) *"bodily injury" or "personal and advertising injury":*

(a) *To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a, co-employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;*

(b) *To the spouse, child, parent, brother or sister of that co "employee" or "volunteer worker" as a consequence of Paragraph (1) (a) above;*

(c) *For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1)(a) or (b) above; or*

(d) *Arising out of his or her providing or failing to provide professional health care services.*

The Ironshore policy also includes the (IB.EX.014B 7/08Ed) endorsement below:

CONTINUOUS OR PROGRESSIVE INJURY OR DAMAGE EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This insurance does not apply to any "bodily injury" or "property damage":

1. *which first existed, or is alleged to have first existed, prior to the inception date of this policy. "Property damage" from "your work", or the work of any additional insured, performed prior to policy inception will be deemed to have first existed prior to the policy inception, unless such "property damage" is sudden and accidental and takes place within the policy period; or*

2. *which was, or is alleged to have been, in the process of taking place prior to the inception date of this policy, even if the such "bodily injury" or "property damage" continued during this policy period; or*

3. *which is, or is alleged to be, of the same general nature or type as a condition, circumstance or construction defect which resulted in "bodily injury" or "property damage" prior to the inception date of this policy.*

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.

All other terms, conditions and exclusions remain unchanged.

Ironshore respectfully declines coverage based upon the Continuous or Progressive Injury or Damage Exclusion. Paragraph (1) of the Continuous Damage Exclusion provides that (a) property damage from the insured's work performed prior to the policy period will be deemed to have existed prior to the policy period and (b) there is no coverage for property damage which first existed or is alleged to have existed prior to

inception of the policy. Here, the dates for P R Construction LLC's work at the subject properties are all prior to the policy inception date. Therefore, even if property damage occurred at the properties within the policy period, the Continuous Damage Exclusion operates to exclude coverage where P R Construction LLC's work was performed prior to the policy period.

Paragraph (1) of the Continuous Damage Exclusion contains an exception to the exclusion for property damage that is sudden and accidental and takes place within the policy period. It is P R Construction LLC's or Pulte Homes' burden to show the claim falls within the exception to the exclusion.

Another important aspect of the Ironshore policy is the endorsement below:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – DESIGNATED OPERATIONS COVERED BY A CONSOLIDATED (WRAP-UP) INSURANCE PROGRAM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Description and Location of Operation(s):

All Operations:

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement)

The following exclusion is added to paragraph 2.,
Exclusions of Coverage A - Bodily Injury and Property Damage Liability (Section I - Coverages):

This insurance does not apply to "bodily injury" or "property damage" arising out of either your ongoing operations or operations included within the "products-completed operations hazard" at the location described in the Schedule of this endorsement, as a consolidated (wrap-up) insurance program has been provided by the prime contractor/project manager or owner of the construction project in which you are involved.

This exclusion applies whether or not the consolidated (wrap-up) insurance program:
1) Provides coverage identical to that provided by this Coverage Part;
2) Has limits adequate to cover all claims; or
3) Remains in effect.

All other terms, conditions and exclusions remain unchanged.

Conclusion

Based on our review of the materials and information submitted regarding the subject construction project, Ironshore must respectfully decline coverage for this claim. Our reasons for this conclusion include:

- The claims made do not fall within the scope of the insuring agreement as discussed above;

- The project was completed by P R Construction LLC prior to the Ironshore policy's issue date and given the nature of the allegations is excluded under the Continuous or Progressive Injury or Damage Exclusion.

Our reasons for denying your claim as stated in this correspondence, while comprehensive are not necessarily exhaustive, or complete. Ironshore specifically reserves the right to supplement, modify or change its reasons for limiting, or denying coverage under any terms conditions, or provisions of the policy as issued regardless of whether those provisions or reasons are now known, or stated herein. If you believe this denial of coverage is in error, Ironshore would appreciate any new or different information you have regarding our analysis or conclusions as stated herein. Ironshore stands willing to review any information or analysis you wish to provide Ironshore regarding this coverage position. Ironshore reserves the right to review the coverage position again, and change or add to it, should additional facts come to Ironshore's attention.

It is expressly understood that any further action undertaken by Ironshore in the investigation or the handling this action shall not be construed as a waiver of the rights of Ironshore to deny coverage under P R Construction LLC's policy.

Ironshore reserves the right to commence and prosecute any legal action including but not limited to a declaratory relief action to obtain a judicial determination of whether the policies afford coverage for any of the claims made or damages sought in this matter.

Note: We appreciate receiving all information electronically whenever possible. Please reference our file number on all correspondence and in the event you cannot respond electronically, please respond to the undersigned using the contact information on the first page letterhead.

Yours very truly,

M. L. Proffitt, Jr.

MP/mb

Exhibit 27

Exhibit 27

November 17, 2009

SENT VIA CERTIFIED & REGULAR MAIL

ATTN: NEVADA CONCRETE SERVICES
AKA STEWART & SUNDELL CONCRETE, INC.
1760 WEST BROOKS AVENUE
LAS VEGAS NEVADA 89032

Re: ***Anthem Country Club Community Assoc. v Terravita Home Construction Inc. Chapter 40 Notice***

Policy No.	:	12A80905001
Policy Dates:	:	3/1/09 to 3/1/10
Insured	:	Nevada Concrete Services, Inc., et al
Date of Loss	:	Prior to March 1, 2009
Project Name	:	Anthem Country Club Community
Our Claim No.	:	107250-JR

Note: We appreciate receiving all correspondence electronically. Please include our file number on all correspondence and in the event that you cannot reply electronically please reply to the undersigned at the home office address.

Dear Mr. Stewart or Ms./ Mrs. Sundell;

Midlands Claim Administrators, Inc. ("Midlands") is the third party claim administrator for Ironshore Specialty Insurance Company ("Ironshore Specialty"). Midland's has been conducting an investigation into the coverage under policy number 012A80905001 written for Nevada Concrete Services, Inc., Stewart & Sundell Concrete, Inc., Stewart & Sundell, LLC, Offsite Development and ASI a division of Stewart & Sundell Concrete, dba and into the facts of the above captioned matter.

We are in receipt of a tender of defense and indemnity from mutual carrier Zurich on behalf of Stewart & Sundell Concrete, et al. The tender of defense and indemnity is a result of a revised Chapter 40.645 construction defect matter involving a project known as Anthem Country Club Community. It is our understanding that homeowners association of Anthem Country Club Community, located in Henderson, Nevada have filed the Chapter 40 notice

ISIC 2637

of construction defects against Terravita Home Construction Company, Inc., who in turned placed Stewart & Sundell, et al on notice.

Terravita Home Construction Company, Inc. has alleged that they subcontracted with Stewart & Sundell, Inc. to install the concrete curbs and gutters at the Anthem Country Club Community project. Although we are not in receipt of the subcontract agreement we are advised that the project at issue was completed from 1999 to 2006.

The Ironshore Specialty policy issued to Nevada Concrete Services, Inc., et al has effective dates for 12 months with an inception date of March 1, 2009. The policy provides $1,000,000.00 each occurrence limit, a $2,000,000.00 general aggregate limit, a $2,000,000.00 products-completed operations aggregate limit, a $1,000,000.00 personal and advertising injury limit and $50,000.00 for fire damage. The policy is subject to a $10,000.00 per occurrence bodily injury and property damage and personal injury/advertising injury deductible for commercial work, including LAE and a $25,000.00 per occurrence BI & PD & PI/AI deductible for all others, including LAE.

The allegations made by the Anthem Country Club Community Association, Terravita Homes Construction Company and our subsequent investigation have revealed that the reported claim arose since completion of the project from 1999 to 2006 and prior to the March 1, 2009 inception date of the Ironshore Specialty policy and it is specifically excluded under the Continuous or Progressive Injury or Damage Exclusion Endorsement IB.EX.014B(12/07Ed) which is attached to and forms part of the captioned policy. In addition, there appears to be no grounds of the potential of an occurrence of property damage as described and required under the policy of insurance because the date of event precedes the inception of the Ironshore policy. Because of this and other reasons there does not appear to be any coverage under the above noted policy. Pertinent portions of the policy are provided for your reference as follows:

Who is an Insured

The policy contains a description of who is considered an insured under the policy. **SECTION II WHO IS AN INSURED**, states:

1. *If you are designated in the Declarations as:*

   a. *An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.*

   b. *A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.*

To: Nevada Concrete Services, et al
Re: Anthem Country Club Community
Date: November 17, 2009 107250

c. *A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.*

d. *An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.*

e. *A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.*

2 *Each of the following is also an insured:*

a. *Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts 'within the scope of their employment by you or while performing duties related to the conduct of your business.*

However, none of these "employees" or "volunteer workers" are insureds under this policy with respect to:

(i) *"bodily injury" or "personal and advertising injury":*

(a) *To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a, co-employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;*

(b) *To the spouse, child, parent, brother or sister of that co "employee" or "volunteer worker" as a consequence of Paragraph (i) (a) above;*

To: Nevada Concrete Services, et al
Re: Anthem Country Club Community
Date: November 17, 2009 107250

(c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (i)(a) or (b) above; or

(d) Arising out of his or her providing or failing to provide professional health care services.

Coverage A

The grant of coverage for property damage is found in Coverage A, wherein it states,

COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in Section III – Limits of Insurance; and

(2) Our right and duty to defend ends when we have used up the applicable insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

b. This insurance applies to "bodily injury" and "property damage" only if:

ISIC 2640

(1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and

(2) The "bodily injury" or "property damage" occurs during the policy period.

Ironshore reserves its right to deny coverage based on the above policy language.

Definition of Property Damage

The policy defines "property damage" as follows:

a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

b. Loss of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

* * *

In this case, it is alleged that J & R improperly installed the concrete curbs and gutters at the project. We found no reports of property damage as defined within the policy of insurance.

Requirement of an Occurrence

The policy defines the term "occurrence" as follows:

"Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

Ironshore has been investigating as to whether there has been an "occurrence" as defined by the policy. Ironshore reserves its rights as to an "occurrence".

Work Product Exclusions

The Ironshore policy precludes coverage for injury or damage to, and the cost to restore, repair or replace the insured's own work. "**Your work**" includes warranties or representations made at any time with respect to the fitness, quality, durability,

performance or use of "your work." For your convenience the work product exclusions and definitions are produced below:

j. Damage to Property

"Property damage" to:

(1) Property damage you own, rent, or occupy;

(2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;

(3) Property loaned to you;

(4) Personal property in the care, custody or control of the insured;

(5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or

(6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraph (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

k. Damage to Your Product

"Property damage" to "your product" arising out of it or any part of it.

To: Nevada Concrete Services, et al
Re: Anthem Country Club Community
Date: November 17, 2009 107250

l. Damage to Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. Damage to Impaired Property or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

(1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or

(2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

n. Recall of Products, Work or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

(1) "Your product";

(2) "Your work"; or

(3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

To: Nevada Concrete Services, et al
Re: Anthem Country Club Community
Date: November 17, 2009 107250

* * *

19. "Your work" means:

a. Work or operations performed by you or on your behalf; and

b. Materials, parts or equipment furnished in connection with such work or operations.

"Your work" includes:

a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and

b. The providing of or failure to provide warnings or instructions.

* * *

Ironshore reserves its rights as to the work product exclusions.

Products-Completed Operations Hazard

"Products-completed operations hazard" is defined in the policy as follows:

14. "Products-completed operations hazard":

a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

* * *

(2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

(a) When all of the work called for in your contract has been completed.

(b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.

(c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project. . . .

Ironshore reserves its rights as to "products-completed operations hazard" coverage.

The Ironshore Specialty policy also includes the endorsement below:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

CONTINUOUS OR PROGRESSIVE INJURY OR DAMAGE EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This insurance does not apply to any "bodily injury' or "property damage":

1. *which first existed, or is alleged to have first existed, prior to the inception date of this policy. "Property damage" from "your work" or the work of any additional insured, performed prior to policy inception will be deemed to have first existed prior to the policy inception, unless such "property damage" is sudden and accidental and takes place within the policy period); or*

2. *which was, or is alleged to have been, in the process of taking place prior to the inception date of this policy, even if the such "bodily injury" or "property damage" continued during this policy period; or*

3. *which is, or is alleged to be, of the same general nature or type as a condition, circumstance or construction defect which resulted in "bodily injury" or "property damage" prior to the inception date of this policy.*

To: Nevada Concrete Services, et al
Re: Anthem Country Club Community
Date: November 17, 2009 107250

This endorsement forms a part of the Policy to which attached, effective on the inception date of this policy.

We have reviewed all of the information provided to Ironshore Specialty and have conducted such other investigation with regard to this matter as was practicable. Based on the above, Ironshore Specialty does not believe there is applicable coverage in this matter on the grounds that the damages that led to this claim commenced prior to the inception of this policy and further the work at this project was completed prior to March 1, 2009. Therefore, based on the above stated endorsement and other policy conditions the reported claim is not covered under the Ironshore Specialty policy issued to Nevada Concrete Services, Inc., et al.

Please be advised that Ironshore Specialty's investigation into this matter has revealed the potential that this claim may also not be covered or may be excluded by other terms and conditions of the Ironshore Specialty policy not contained herein. As the claim is not covered due to the above stated policy conditions and endorsements, we have not continued our investigation as to other possible coverage issues. However, Ironshore Specialty's denial based upon the Continuous or Progressive Injury or Damage Exclusion should not be construed as a waiver or relinquishment of any of the other rights, exclusions or limitations within the policy or by operation of law.

Please accept this correspondence as notification that Ironshore Specialties has concluded, based on the information available at this time, that there is no potential for coverage for the above referenced claim arising at the Anthem Country Club Community project. Ironshore Specialty, therefore, will neither defend nor indemnify Nevada Concrete Services, Inc., et al or Terravita Home Construction Company, Inc. or any other entity for any damages arising out of this loss.

This letter is not intended to be, nor shall it be construed as a waiver by Ironshore Specialty of any of the terms or conditions of the subject policy of insurance. Furthermore, this letter is not intended to be, nor shall it be construed as a waiver of any rights or defenses Ironshore Specialty has, or may have, whether those rights or defenses are based upon facts now known or to become known in the future, and whether legal or equitable in nature. Lastly, this letter is not intended to be, nor shall it be construed as, an admission of liability by Ironshore Specialty to any person or entity.

In the event, there is additional information bearing upon your claim which you feel should be considered and/or if new information comes to light or the situation changes in some way that you feel it may create coverage or entitle Nevada Concrete Services, Inc., et al or any other party to a defense, please contact the undersigned as soon as possible.

To: Nevada Concrete Services, et al
Re: Anthem Country Club Community
Date: November 17, 2009 107250

Ironshore Specialty is committed to the prompt and fair handling of all claims for coverage. If Nevada Concrete Services, Inc., et al believes that Ironshore has erred in its handling of this claim, it may have the matter reviewed by :

The Nevada Department of Insurance
2501 E Sahara Ave Ste 302
Las Vegas Nevada 89104
Phone 702-486-4009

Note: We appreciate receiving all correspondence electronically. Please include our file number on all correspondence and in the event that you cannot reply electronically please reply to the undersigned at the home office address.

Yours very truly,

Judy Riddell
MIDLANDS CLAIM ADMINISTRATORS, INC.
P.O. Box 23198
Oklahoma City, OK 73123
405-840-0950
jeriddell@midman.com

JR/mb

cc: CRC Sterling West Insurance Services, Inc.
550 North Brand Blvd. Ste 1990
Glendale, CA 91203

CRC Sterling West Insurance Services
1551 N Tustin Ave, Ste 600
Santa Ana, CA 92705

ISIC 2647

Exhibit 28

Exhibit 28

MIDLANDS

PMA COMPANIES

August 26, 2010

VIA REGULAR & CERTIFIED MAIL
(RETURN RECEIPT REQUESTED)

ATTN KEVIN HELM
HELM & ASSOCIATES
2810 WEST CHARLESTON BLVD
SUITE G 67
LAS VEGAS NV 89102

Re: Stallion Mountain Association v. William Lyon Homes

Insured	:	Nevada Concrete Services, Inc.
Policy No.	:	012A80905001
Policy Dates	:	March 1, 2009 to March 1, 2010
Claimant	:	Stallion Mountain Association
Project	:	The Enclave at Stallion Mountain
Our File No.	:	107247

Dear Kevin Helm:

On behalf of Ironshore Specialty Insurance Company (hereinafter, "Ironshore"), this letter will serve to acknowledge receipt of the above captioned matter by this office. We are the claim administrators for this program. Please make note of our claim number and direct all future correspondence to this office, to the attention of this writer using our claim number as a reference.

Based on these documents and other information submitted, we have determined that this claim does not fall within the scope of coverage, or is otherwise excluded from coverage under the Ironshore policy, or policies issued to Nevada Concrete Services, Inc.. As such, unless additional, new or different information is provided, Ironshore must deny your request for coverage in this matter. Our reasons for concluding that there is no coverage are explained below.

Factual Background

This action involves the common areas of the The Enclave at Stallion Mountain located in the city of Las Vegas, Nevada. It appears Nevada Concrete Services, Inc. completed their work on the areas involved in this case from 2002 through 2004.

Midlands Claim Administrators, Inc. • 3503 NW 63rd Street, Suite 305, Oklahoma City, OK 73116
Phone: 405.840.0074 • Fax: 405.840.0584 • www.midlandsclaim.com

California • New York • Oklahoma • Texas

ISIC 2960

To: Kevin Helm
Re: Stallion Mountain Association v. William Lyon Homes
Date: August 26, 2010

The documents supplied to us revealed the construction involved in this project was completed by Nevada Concrete Services, Inc. before the policy inception date.

The Policy

Ironshore issued Policy Number 012A80905001 with effective dates of March 1, 2009 to March 1, 2010. The policy contains an Each Occurrence Limit of $1,000,000.00 and a General Aggregate Limit in the amount of $2,000,000.00.

Based on the facts of this matter as reported to Ironshore, when compared to the terms, conditions, exclusions and endorsements of the Ironshore policy or policies at issue, this claim does not fall within the coverage provided under the policy or policies under which coverage is being sought.

Declination of Coverage

Ironshore respectfully disclaims coverage in this matter subject to the terms, conditions, exclusions and limits of the Ironshore policy, and the applicable law. Nevada Concrete Services, Inc. completed their work on this project prior to inception of the policy. Therefore, coverage would not be triggered due in part to the Continuous or Progressive Injury or Damage Exclusion.

Who is an Insured

The policy contains a description of who is considered an insured under the policy. **SECTION II WHO IS AN INSURED**, states:

1. *If you are designated in the Declarations as:*

   a. *An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.*

   b. *A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.*

   c. *A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.*

To: Kevin Helm
Re: Stallion Mountain Association v. William Lyon Homes
Date: August 26, 2010

d. *An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.*

e. *A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.*

2 *Each of the following is also an insured:*

a. *Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.*

However, none of these "employees" or "volunteer workers" are insureds under this policy with respect to:

(1) *"bodily injury" or "personal and advertising injury":*

(a) *To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a, co-employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;*

(b) *To the spouse, child, parent, brother or sister of that co "employee" or "volunteer worker" as a consequence of Paragraph (i) (a) above;*

(c) *For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (i)(a) or (b) above; or*

(d) *Arising out of his or her providing or failing to provide professional health care services.*

To: Kevin Helm
Re: Stallion Mountain Association v. William Lyon Homes
Date: August 26, 2010

SECTION II — WHO IS AN INSURED** is amended by Endorsement – **ADDITIONAL INSURED — OWNERS, LESSEES OR CONTRACTORS - AUTOMATIC STATUS WHEN REQUIRED IN CONSTRUCTION AGREEMENT WITH YOU

This endorsement modifies the insurance policy and reads as follows:

A. ***Section II — Who Is An Insured** is amended to include as an additional insured any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy. Such person or organization is an additional insured only with respect to liability for "bodily injury", "property damage' or "personal and advertising injury" caused, in whole or in part, by:*

1. *Your acts or omissions; or*
2. *The acts or omissions of those acting on your behalf;*

in the performance of your ongoing operations for the additional insured.

A person's or organization's status as an additional insured under this endorsement ends when your operations for that additional insured are completed.

It is further agreed that such insurance as is afforded by this Policy for the benefits of an additional insured shall be primary and non-contributory.

B. *With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:*

This insurance does not apply to:

1. *"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:*

a. *The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or*
b. *Supervisory, inspection, architectural or engineering activities.*

2. *"Bodily injury" or "property damage" occurring after:*

To: Kevin Helm
Re: Stallion Mountain Association v. William Lyon Homes
Date: August 26, 2010

a. *All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or*

b. *That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.*

c. *"Property Damage" which manifests after expiration of the Policy.*

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.

All other terms, exclusions and conditions of the policy remain unchanged.

The Ironshore policy also includes the (IB.EX.014B 7/08Ed) endorsement below:

CONTINUOUS OR PROGRESSIVE INJURY OR DAMAGE EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This insurance does not apply to any "bodily injury' or "property damage":

1. *which first existed, or is alleged to have first existed, prior to the inception date of this policy. "Property damage" from "your work", or the work of any additional insured, performed prior to policy inception will be deemed to have first existed prior to the policy inception, unless such "property damage" is sudden and accidental and takes place within the policy period; or*

2. *which was, or is alleged to have been, in the process of taking place prior to the inception date of this policy, even if the such "bodily injury" or "property damage" continued during this policy period; or*

3. *which is, or is alleged to be, of the same general nature or type as a condition, circumstance or construction defect which resulted in "bodily injury" or "property damage" prior to the inception date of this policy.*

To: Kevin Helm
Re: Stallion Mountain Association v. William Lyon Homes
Date: August 26, 2010

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.

All other terms, conditions and exclusions remain unchanged.

Ironshore respectfully declines coverage based upon the Continuous or Progressive Injury or Damage Exclusion. The notice of completion date or dates related to this claim indicates that the project was completed by Nevada Concrete Services, Inc. prior to inception of the Ironshore policy.

Another important aspect of the Ironshore policy is the endorsement below:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – DESIGNATED OPERATIONS COVERED BY A CONSOLIDATED (WRAP-UP) INSURANCE PROGRAM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Description and Location of Operation(s):

All Operations:

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement)

The following exclusion is added to paragraph 2., Exclusions of Coverage A - Bodily Injury and Property Damage Liability (Section I - Coverages):

This insurance does not apply to "bodily injury" or "property damage" arising out of either your ongoing operations or operations included within the "products-completed operations hazard" at the location described in the Schedule of this endorsement, as a consolidated (wrap-up) insurance program has been provided by the prime contractor/project manager or owner of the construction project in which you are involved.

This exclusion applies whether or not the consolidated (wrap-up) insurance program:

To: Kevin Helm
Re: Stallion Mountain Association v. William Lyon Homes
Date: August 26, 2010

1) Provides coverage identical to that provided by this Coverage Part;
2) Has limits adequate to cover all claims; or
3) Remains in effect.

All other terms, conditions and exclusions remain unchanged.

Conclusion

Based on our review of the materials and information submitted regarding the subject construction project, Ironshore must respectfully decline coverage for this claim. Our reasons for this conclusion include:

- The claims made do not fall within the scope of the insuring agreement as discussed above;

- The project was completed by Nevada Concrete Services, Inc. prior to the Ironshore policy's issue date and is excluded under the Continuous or Progressive Injury or Damage Exclusion.

Our reasons for denying your claim as stated in this correspondence, while comprehensive are not necessarily exhaustive, or complete. Ironshore specifically reserves the right to supplement, modify or change its reasons for limiting, or denying coverage under any terms conditions, or provisions of the policy as issued regardless of whether those provisions or reasons are now known, or stated herein. If you believe this denial of coverage is in error, Ironshore would appreciate any new or different information you have regarding our analysis or conclusions as stated herein. Ironshore stands willing to review any information or analysis you wish to provide Ironshore regarding this coverage position. Ironshore reserves the right to review the coverage position again, and change or add to it, should additional facts come to Ironshore's attention.

It is expressly understood that any further action undertaken by Ironshore in the investigation or the handling this action shall not be construed as a waiver of the rights of Ironshore to deny coverage under Nevada Concrete Services, Inc.'s policy.

Ironshore reserves the right to commence and prosecute any legal action including but not limited to a declaratory relief action to obtain a judicial determination of whether the policies afford coverage for any of the claims made or damages sought in this matter.

Note: We appreciate receiving all information electronically whenever possible. Please reference our file number on all correspondence and in the event you

To: Kevin Helm
Re: Stallion Mountain Association v. William Lyon Homes
Date: August 26, 2010

cannot respond electronically, please respond to the undersigned at the address below.

Yours very truly,

MIDLANDS CLAIM ADMINISTRATORS, INC.
P.O. Box 23198
Oklahoma City, OK 73123
405-840-0950
jpspearman@midman.com

JPS/mb

cc: Nevada Concrete Services
1760 W. Brooks Ave.
Las Vegas, NV 89032

ISIC 2967

MIDLANDS

PMA COMPANIES

August 26, 2010

ATTN: JOHN REUSCH
IRONSHORE INSURANCE SERVICES LLC
JOHN.REUSCH@IRONSHORE.COM

Re: Stallion Mountain Association v. William Lyon Homes

Insured	:	Nevada Concrete Services, Inc.
Policy No.	:	012A80905001
Policy Dates	:	March 1, 2009 to March 1, 2010
Claimant	:	Stallion Mountain Association
Project	:	The Enclave at Stallion Mountain
Our File No.	:	107247

This will serve as our initial report on the above captioned matter.

Assignment

We have been asked to assist Ironshore in the investigation of a construction defect allegation.

Factual Background

This action involves the common areas of the The Enclave at Stallion Mountain located in the city of Las Vegas, Nevada. It appears Nevada Concrete Services, Inc. completed their work on the areas involved in this case from 2002 through 2004.

The documents supplied to us revealed the construction involved in this project was completed by Nevada Concrete Services, Inc. before the policy inception date.

The Policy

Ironshore issued Policy Number 012A80905001 with effective dates of March 1, 2009 to March 1, 2010. The policy contains an Each Occurrence Limit of $1,000,000.00 and a General Aggregate Limit in the amount of $2,000,000.00.

The policy is also subject to numerous exclusions and endorsements, including but not limited to, the wrap up exclusion and the Continuous or Progressive Injury or Damage Exclusion (IB.EX.014B 7/08Ed).

To: Ironshore Insurance Services, LLC
Re: Nevada Concrete Services, Inc.
Date: August 26, 2010

Based on our review of the materials and information submitted regarding the subject project, we recommend a declination of coverage for this claim. Our reasons for this conclusion include:

- The claims made do not fall within the scope of the insuring agreement as discussed above;
- The project was completed by Nevada Concrete Services, Inc. prior to the Ironshore policy's issue date and is excluded under the Continuous or Progressive Injury or Damage Exclusion.

Liability Analysis

We have not been provided with a copy of the defect list or cost of repair.

Injuries/Damages

We have not received a defect list related to this claim.

Reserve Analysis

REDACTED

Litigation Plan

As this matter appears to fall outside the scope of coverage, we do not plan to direct, or participate in any possible litigation related to this claim.

Action Plan

1. Pending your approval, send Declination of coverage, outlining our understanding of the facts and coverage issues and our reasons for concluding that there is no coverage obligation in this case.
2. Monitor, or hold in abeyance for 30 days. If no response at that time, we will close our file.

Next Report Date

None, if no response is received in 30 days.

To: Ironshore Insurance Services, LLC
Re: Nevada Concrete Services, Inc.
Date: August 26, 2010

Yours very truly,
Midlands Claim Administrators, Inc.

John P. Spearman

JS/mb

ISIC 2970

Exhibit 29

Exhibit 29

MIDLANDS CLAIM
ADMINISTRATORS, INC.

HOME OFFICE

3503 N.W. 63RD STREET
SUITE 204
OKLAHOMA CITY, OK 73116
P.O. BOX 23198
OKLAHOMA CITY, OK 73123
PHONE: 405.840.0950
FAX: 405.840.0584
www.midlandsclaim.com

WORKERS COMPENSATION DIVISION
P.O. BOX 238808
OKLAHOMA CITY, OK 73123

LOCATIONS

CALIFORNIA
23801 CALABASAS ROAD
SUITE 2000
CALABASAS, CA 91302
P.O. BOX 8909
CALABASAS, CA 91372
PHONE: 818.224.2134
FAX: 818.224.2169
LICENSE #: 2D85815

FLORIDA
7257 N.W. 4TH BOULEVARD
SUITE 11
GAINESVILLE, FL 32607
PHONE: 352.331.2355
FAX: 352.331.2356

NEW YORK
51 EAST 42ND STREET
SUITE 616
NEW YORK, NY10017
PHONE: 212.681.8308
FAX: 212.681.8307

TEXAS
160 ADDISON TOWER
16415 ADDISON ROAD
ADDISON, TX 75001
PHONE: 972.588.2002
FAX: 972.588.2090

OMAG
4130 NORTH LINCOLN BOULEVARD
OKLAHOMA CITY, OK 73105
PHONE: 405.525.4049
FAX: 405.525.0009

May 28, 2010

VIA REGULAR & CERTIFIED MAIL
(RETURN RECEIPT REQUESTED)

ATTN KEVIN HELM
HELM & ASSOCIATES
2810 W CHARLESTON BLVD
SUITE G 67
LAS VEGAS NV 89102

Re: Sun City Anthem HOA v. Del Webb

Insured	:	Nevada Concrete Services, Incorporated
Policy No.	:	012A80905001
Policy Dates	:	March 1, 2009 to March 1, 2010
Claimant	:	Sun City Anthem HOA
Project	:	Sun City Anthem
Our File No.	:	110430

Note: We appreciate receiving all information electronically whenever possible. Please reference our file number on all correspondence and in the event you cannot respond electronically, please respond to the undersigned at the Home Office address.

Dear Policyholder:

On behalf of Ironshore Specialty Insurance Company (hereinafter, "Ironshore"), this letter will serve to acknowledge receipt of the above captioned matter by this office. We are the claim administrators for this program. Please make note of our claim number and direct all future correspondence to this office, to the attention of this writer using our claim number as a reference.

Based on these documents and other information submitted, we have determined that this claim does not fall within the scope of coverage, or is otherwise excluded from coverage under the Ironshore policy, or policies issued to Nevada Concrete Services, Incorporated. As such, unless additional, new or different information is provided, Ironshore must deny your request for coverage in this matter. Our reasons for concluding that there is no coverage are explained below.

ISIC 3045

To: Helm & Associates
Re: Sun City Anthem HOA v. Del Webb
Date: May 28, 2010

Factual Background

This action involves single-family duplex residences located in the city of Henderson, Nevada. It appears Nevada Concrete Services, Incorporated completed their work on the duplexes/lots involved in this case from 1998 through 2000.

The documents supplied to us revealed the construction involved in this project was completed by Nevada Concrete Services, Incorporated before the policy inception date.

The Policy

Ironshore issued Policy Number 012A80905001 with effective dates of March 1, 2009 to March 1, 2010. The policy contains an Each Occurrence Limit of $1,000,000.00 and a General Aggregate Limit in the amount of $2,000,000.00.

Based on the facts of this matter as reported to Ironshore, when compared to the terms, conditions, exclusions and endorsements of the Ironshore policy or policies at issue, this claim does not fall within the coverage provided under the policy or policies under which coverage is being sought.

Declination of Coverage

Ironshore respectfully disclaims coverage in this matter subject to the terms, conditions, exclusions and limits of the Ironshore policy, and the applicable law. Nevada Concrete Services, Incorporated completed their work on this project prior to inception of the policy. Therefore, coverage would not be triggered due in part to the Continuous or Progressive Injury or Damage Exclusion.

Who is an Insured

The policy contains a description of who is considered an insured under the policy. **SECTION II WHO IS AN INSURED**, states:

1. *If you are designated in the Declarations as:*

    a. *An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.*

To: Helm & Associates
Re: Sun City Anthem HOA v. Del Webb
Date: May 28, 2010

b. *A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.*

c. *A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.*

d. *An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.*

e. *A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.*

2 *Each of the following is also an insured:*

a. *Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts 'within the scope of their employment by you or while performing duties related to the conduct of your business.*

However, none of these "employees" or "volunteer workers" are insureds under this policy with respect to:

(1) *"bodily injury" or "personal and advertising injury":*

(a) *To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a, co-employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;*

To: Helm & Associates
Re: Sun City Anthem HOA v. Del Webb
Date: May 28, 2010

(b) *To the spouse, child, parent, brother or sister of that co "employee" or "volunteer worker" as a consequence of Paragraph (i) (a) above;*

(c) *For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (i)(a) or (b) above; or*

(d) *Arising out of his or her providing or failing to provide professional health care services.*

SECTION II — WHO IS AN INSURED** is amended by Endorsement – **ADDITIONAL INSURED — OWNERS, LESSEES OR CONTRACTORS - AUTOMATIC STATUS WHEN REQUIRED IN CONSTRUCTION AGREEMENT WITH YOU

This endorsement modifies the insurance policy and reads as follows:

A. ***Section II — Who Is An Insured** is amended to include as an additional insured any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy. Such person or organization is an additional insured only with respect to liability for "bodily injury", "property damage' or "personal and advertising injury" caused, in whole or in part, by:*

1. *Your acts or omissions; or*
2. *The acts or omissions of those acting on your behalf;*

in the performance of your ongoing operations for the additional insured.

A person's or organization's status as an additional insured under this endorsement ends when your operations for that additional insured are completed.

It is further agreed that such insurance as is afforded by this Policy for the benefits of an additional insured shall be primary and non-contributory.

B. *With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:*

This insurance does not apply to:

To: Helm & Associates
Re: Sun City Anthem HOA v. Del Webb
Date: May 28, 2010

1. *"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:*

   a. *The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or*
   b. *Supervisory, inspection, architectural or engineering activities.*

2. *"Bodily injury" or "property damage" occurring after:*

   a. *All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or*
   b. *That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.*
   c. *"Property Damage" which manifests after expiration of the Policy.*

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.

All other terms, exclusions and conditions of the policy remain unchanged.

The Ironshore policy also includes the (IB.EX.014B 7/08Ed) endorsement below:

CONTINUOUS OR PROGRESSIVE INJURY OR DAMAGE EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This insurance does not apply to any "bodily injury' or "property damage":

1. *which first existed, or is alleged to have first existed, prior to the inception date of this policy. "Property damage" from "your work", or the work of any additional insured, performed prior to policy inception will be deemed to have first existed prior to the policy inception, unless such "property damage" is sudden and accidental and takes place within the policy period; or*

To: Helm & Associates
Re: Sun City Anthem HOA v. Del Webb
Date: May 28, 2010

2. *which was, or is alleged to have been, in the process of taking place prior to the inception date of this policy, even if the such "bodily injury" or "property damage" continued during this policy period; or*

3. *which is, or is alleged to be, of the same general nature or type as a condition, circumstance or construction defect which resulted in "bodily injury" or "property damage" prior to the inception date of this policy.*

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.

All other terms, conditions and exclusions remain unchanged.

Ironshore respectfully declines coverage based upon the Continuous or Progressive Injury or Damage Exclusion. The notice of completion date or dates related to this claim indicates that the project was completed by Nevada Concrete Services, Incorporated prior to inception of the Ironshore policy.

Another important aspect of the Ironshore policy is the endorsement below:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – DESIGNATED OPERATIONS COVERED BY A CONSOLIDATED (WRAP-UP) INSURANCE PROGRAM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Description and Location of Operation(s):

All Operations:

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement)

The following exclusion is added to paragraph 2., Exclusions of Coverage A - Bodily Injury and Property Damage Liability (Section I - Coverages):

To: Helm & Associates
Re: Sun City Anthem HOA v. Del Webb
Date: May 28, 2010

This insurance does not apply to "bodily injury" or "property damage" arising out of either your ongoing operations or operations included within the "products-completed operations hazard" at the location described in the Schedule of this endorsement, as a consolidated (wrap-up) insurance program has been provided by the prime contractor/project manager or owner of the construction project in which you are involved.

This exclusion applies whether or not the consolidated (wrap-up) insurance program:
1) Provides coverage identical to that provided by this Coverage Part;
2) Has limits adequate to cover all claims; or
3) Remains in effect.

All other terms, conditions and exclusions remain unchanged.

Conclusion

Based on our review of the materials and information submitted regarding the subject construction project, Ironshore must respectfully decline coverage for this claim. Our reasons for this conclusion include:

- The claims made do not fall within the scope of the insuring agreement as discussed above;

- The project was completed by Nevada Concrete Services, Incorporated prior to the Ironshore policy's issue date and is excluded under the Continuous or Progressive Injury or Damage Exclusion.

Our reasons for denying your claim as stated in this correspondence, while comprehensive are not necessarily exhaustive, or complete. Ironshore specifically reserves the right to supplement, modify or change its reasons for limiting, or denying coverage under any terms conditions, or provisions of the policy as issued regardless of whether those provisions or reasons are now known, or stated herein. If you believe this denial of coverage is in error, Ironshore would appreciate any new or different information you have regarding our analysis or conclusions as stated herein. Ironshore stands willing to review any information or analysis you wish to provide Ironshore regarding this coverage position. Ironshore reserves the right to review the coverage position again, and change or add to it, should additional facts come to Ironshore's attention.

It is expressly understood that any further action undertaken by Ironshore in the investigation or the handling this action shall not be construed as a waiver of the rights of Ironshore to deny coverage under Nevada Concrete Services, Incorporated's policy.

To: Helm & Associates
Re: Sun City Anthem HOA v. Del Webb
Date: May 28, 2010

Ironshore reserves the right to commence and prosecute any legal action including but not limited to a declaratory relief action to obtain a judicial determination of whether the policies afford coverage for any of the claims made or damages sought in this matter.

Note: We appreciate receiving all information electronically whenever possible. Please reference our file number on all correspondence and in the event you cannot respond electronically, please respond to the undersigned at the Home Office address.

Yours very truly,

MIDLANDS CLAIM ADMINISTRATORS, INC.
P.O. Box 23198
Oklahoma City, OK 73123
405-840-0950
jpspearman@midman.com

JPS/mb

cc: Nevada Concrete Services, Incorporated
1760 West Brooks Ave.
Las Vegas, NV 89032

Attn: Liz Del Rosario
Zurich
PO Box 66965
Chicago, IL 60666-0965

ISIC 3052

Exhibit 30

Exhibit 30

CERTUS CLAIMS

RECEIVED

Certain. Settled. Resolve

AUG 19 2013

CERTUS CLAIMS

July 15, 2013

VIA CERTIFIED & REGULAR MAIL

Attn. Brett Hopson
Universal Framing, Inc.
4270 Meadowgate Terrace
Reno, NV 89509

Re: ***Cecil Clark, et al. v. D.W. Arnold, Inc., et al.***

Insured	:	Universal Framing, Inc.
Policy No.	:	IRH00T960805001 effective October 13, 2008-09
		00T960905001 effective October 13, 2009-10
Claimant	:	Cecil Clark, et al
Our File No.	:	113476-CM
		113477-CM

Dear Mr. Hopson:

On behalf of Ironshore Specialty Insurance Company (hereinafter, "Ironshore"), this letter will serve to acknowledge receipt of the above captioned matter by this office. We are the claim administrators for this program. Please make note of our claim number and direct all future correspondence to this office, to the attention of this writer using our claim number as a reference.

Based on these documents and other information subr [illegible] etermined that this claim does not fall within the scope of coverage, or is otherv [illegible] m coverage under the Ironshore policy, or policies issued to Universal Framing, Inc. As such, unless additional, new or different information is provided, Ironshore must deny your request for coverage in this matter. Our reasons for concluding that there is no coverage are explained below.

Factual Background

This action involves allegations of construction defect and property damage made by the owners of residences located in the city of Reno, NV. It appears Universal Framing, Inc. completed their work on the project(s) involved in this case from 2002 - 2003.

The documents supplied to us revealed the construction involved in this project was completed by Universal Framing, Inc. before the policy inception date.

The Policies

Ironshore issued Policy Number IRH00T960805001 effective October 13, 2008 – October 13, 2009. The policy contains an Each Occurrence Limit of $1,000,000.00 and a General Aggregate Limit in the amount of $2,000,000.00.

P.O. Box 1030, Camarillo, California 93011-1030 • P 805.987.8803 • F 805.987.8806 • www.CertusClaims.com

ISIC 3314

To: Universal Framing, Inc.
Re: Cecil Clark, et al. v. D.W. Arnold, Inc., et al.
Date: July 15, 2013

Ironshore issued Policy Number 00T960905001 effective October 13, 2009 – October 13, 2010. The policy contains an Each Occurrence Limit of $1,000,000.00 and a General Aggregate Limit in the amount of $2,000,000.00.

Based on the facts of this matter as reported to Ironshore, when compared to the terms, conditions, exclusions and endorsements of the Ironshore policy or policies at issue, this claim does not fall within the coverage provided under the policy or policies under which coverage is being sought.

Declination of Coverage

Ironshore respectfully disclaims coverage in this matter subject to the terms, conditions, exclusions and limits of the Ironshore policy, and the applicable law. Universal Framing, Inc. completed their work on this project prior to inception of the policy. Therefore, coverage would not be triggered due in part to the Continuous or Progressive Injury or Damage Exclusion.

SECTION I - COVERAGES

COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1 Insuring Agreement

A. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in Section III – Limits of Insurance; and

(2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments - Coverages A , B. and C.

B. This insurance applies to "bodily injury" and "property damage" only if:

(1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and

(2) The "bodily injury" or "property damage" occurs during the policy period; and

To: Universal Framing, Inc.
Re: Cecil Clark, et al. v. D.W. Arnold, Inc., et al.
Date: July 15, 2013

(3) *Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.*

The Ironshore policies contain the following pertinent definitions:

SECTION V - DEFINITIONS

13. *"Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.*

14. *"Products-completed operations hazard"*

a. *Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:*

(1) *Products that are still in your physical possession; or*

(2) *Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:*

(a) *When all of the work called for in your contract has been completed.*

(b) *When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.*

(c) *When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.*

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

b. *Does not include "bodily injury" or "property damage" arising out of:*

(1) *The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;*

(2) *The existence of tools, uninstalled equipment or abandoned or unused materials; or*

To: Universal Framing, Inc.
Re: Cecil Clark, et al. v. D.W. Arnold, Inc., et al.
Date: July 15, 2013

(3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products completed operations are subject to the General Aggregate Limit.

17. "Property Damage" means:

a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

21. "Your Products":

a. Means:

(1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

(a) You;

(b) Others trading under your name; or

(c) A person or organization whose business or assets you have acquired; and

(2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

22 "Your work":

a. Means:

(1) Work or operations performed by you or on your behalf; and

(2) Materials, parts or equipment furnished in connection with such work or operations.

The Ironshore policies contain the following pertinent Exclusions:

2. Exclusions

j. Damage to Property

(5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or

(6) That particular part of any property that much be restored, repaired or replaced because "your work" was incorrectly performed on it.

To: Universal Framing, Inc.
Re: Cecil Clark, et al. v. D.W. Arnold, Inc., et al.
Date: July 15, 2013

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage to Premises Rented To You as described in Section III – Limits of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard."

This insurance does not apply to:

k. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

l. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

(1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or

(2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended

n. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

(1) "Your product";

To: Universal Framing, Inc.
Re: Cecil Clark, et al. v. D.W. Arnold, Inc., et al.
Date: July 15, 2013

(2) "Your work"; or

(3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

Who Is An Insured

SECTION II WHO IS AN INSURED, states:

1. If you are designated in the Declarations as:

a. *An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.*

b. *A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.*

c. *A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.*

d. *An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.*

e. *A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.*

2 *Each of the following is also an insured:*

a. *Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.*

However, none of these "employees" or "volunteer workers" are insureds under this policy with respect to:

(1) "bodily injury" or "personal and advertising injury":

To: Universal Framing, Inc.
Re: Cecil Clark, et al. v. D.W. Arnold, Inc., et al.
Date: July 15, 2013

(a) *To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a, co-employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;*

(b) *To the spouse, child, parent, brother or sister of that co "employee" or "volunteer worker" as a consequence of Paragraph (1) (a) above;*

(c) *For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1)(a) or (b) above; or*

(d) *Arising out of his or her providing or failing to provide professional health care services.*

The Ironshore policy spanning 10/13/2008 – 10/13/2009 includes a Designated Work Exclusion, as cited below:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – DESIGNATED WORK

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Description of your work:

"Your work" Performed prior to October 13, 2008.

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement)

This insurance does not apply to "bodily injury" or "property damage" included in the "products-completed operations hazard" and arising out of "your work" shown in the Schedule.

All other terms, conditions and exclusions remain unchanged.

Here, the subject homes and Universal Framing, Inc. work were completed prior to October 13, 2008. Accordingly, given the Designated Work Exclusion cited above, coverage for this matter is precluded under the Ironshore policy numbers IRH00T960805001.

The Ironshore policy also includes the (IB.EX.014B 7/08Ed) endorsement below:

CONTINUOUS OR PROGRESSIVE INJURY OR DAMAGE EXCLUSION

To: Universal Framing, Inc.
Re: Cecil Clark, et al. v. D.W. Arnold, Inc., et al.
Date: July 15, 2013

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This insurance does not apply to any "bodily injury' or "property damage":

1. *which first existed, or is alleged to have first existed, prior to the inception date of this policy. "Property damage" from "your work", or the work of any additional insured, performed prior to policy inception will be deemed to have first existed prior to the policy inception, unless such "property damage" is sudden and accidental and takes place within the policy period; or*

2. *which was, or is alleged to have been, in the process of taking place prior to the inception date of this policy, even if the such "bodily injury" or "property damage" continued during this policy period; or*

3. *which is, or is alleged to be, of the same general nature or type as a condition, circumstance or construction defect which resulted in "bodily injury" or "property damage" prior to the inception date of this policy.*

This endorsement forms a part of the Policy to which attached, effective on the inception date of the Policy unless otherwise stated herein.

All other terms, conditions and exclusions remain unchanged.

Ironshore respectfully declines coverage based upon the Continuous or Progressive Injury or Damage Exclusion. Paragraph (1) of the Continuous Damage Exclusion provides that (a) property damage from the insured's work performed prior to the policy period will be deemed to have existed prior to the policy period and (b) there is no coverage for property damage which first existed or is alleged to have existed prior to inception of the policy. Here, the dates for Universal Framing, Inc.'s work at the subject properties are all prior to the policy inception date. Therefore, even if property damage occurred at the properties within the policy period, the Continuous Damage Exclusion operates to exclude coverage where Universal Framing, Inc.'s work was performed prior to the policy period.

Paragraph (1) of the Continuous Damage Exclusion contains an exception to the exclusion for property damage that is sudden and accidental and takes place within the policy period. It is Universal Framing, Inc.'s or D.W. Arnold, Inc.'s burden to show the claim falls within the exception to the exclusion.

Another important aspect of the Ironshore policies is the endorsement below:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – DESIGNATED OPERATIONS COVERED BY A CONSOLIDATED (WRAP-UP) INSURANCE PROGRAM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

To: Universal Framing, Inc.
Re: Cecil Clark, et al. v. D.W. Arnold, Inc., et al.
Date: July 15, 2013

SCHEDULE

Description and Location of Operation(s):

All Operations:

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement)

The following exclusion is added to paragraph 2.,
Exclusions of Coverage A - Bodily Injury and Property Damage Liability (Section I - Coverages):

This insurance does not apply to "bodily injury" or "property damage" arising out of either your ongoing operations or operations included within the "products-completed operations hazard" at the location described in the Schedule of this endorsement, as a consolidated (wrap-up) insurance program has been provided by the prime contractor/project manager or owner of the construction project in which you are involved.

This exclusion applies whether or not the consolidated (wrap-up) insurance program:
1) Provides coverage identical to that provided by this Coverage Part;
2) Has limits adequate to cover all claims; or
3) Remains in effect.

All other terms, conditions and exclusions remain unchanged.

Conclusion

Based on our review of the materials and information submitted regarding the subject construction project, Ironshore must respectfully decline coverage for this claim. Our reasons for this conclusion include:

- The claims made do not fall within the scope of the insuring agreement as discussed above; and
- The project was completed by Universal Framing, Inc. prior to the Ironshore policy's issue date and given the nature of the allegations is excluded under the Continuous or Progressive Injury or Damage Exclusion.

Our reasons for denying your claim as stated in this correspondence, while comprehensive are not necessarily exhaustive, or complete. Ironshore specifically reserves the right to supplement, modify or change its reasons for limiting, or denying coverage under any terms conditions, or provisions of the policy as issued regardless of whether those provisions or reasons are now known, or stated herein. If you believe this denial of coverage is in error, Ironshore would appreciate any new or different information you have regarding our analysis or conclusions as stated herein. Ironshore stands willing to review any information or analysis you wish to provide Ironshore regarding this coverage position. Ironshore reserves the right to review the coverage position again, and change or add to it, should additional facts come to Ironshore's attention.

To: Universal Framing, Inc.
Re: Cecil Clark, et al. v. D.W. Arnold, Inc., et al.
Date: July 15, 2013

It is expressly understood that any further action undertaken by Ironshore in the investigation or the handling this action shall not be construed as a waiver of the rights of Ironshore to deny coverage under Universal Framing, Inc.'s policy.

Ironshore reserves the right to commence and prosecute any legal action including but not limited to a declaratory relief action to obtain a judicial determination of whether the policies afford coverage for any of the claims made or damages sought in this matter.

Note: We appreciate receiving all information electronically whenever possible. Please reference our file number on all correspondence and in the event you cannot respond electronically, please respond to the undersigned using the contact information on the first page letterhead.

Yours very truly,

Crystal Mathews

Crystal Mathews
Certus Claims Administration, LLC
Claims Examiner
cmathews@certusclaims.com
(805) 987-8803

CM/rw

ISIC 3323

Exhibit 31

Exhibit 31

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CLERK OF THE COURT

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DISTRICT COURT

CLARK COUNTY, NEVADA

ANTHEM COUNTRY CLUB COMMUNITY ASSOCIATION, INC., a Nevada non-profit mutual benefit corporation, Plaintiff, v. TERRAVITA HOME CONSTRUCTION COMPANY, an Arizona corporation; and DOES 1 through 300, Defendants.	Case No. A-11-634626-D Dept. No. XXII **COMPLAINT FOR DAMAGES** [Chapter 40.600 to 40.695] ***ARBITRATION EXEMPTIONS CLAIMED:*** 1. Declaratory Relief 2. Significant Issues of Public Policy 3. Damages Exceed $50,000 per plaintiff exclusive of interests and costs ***JURY TRIAL DEMANDED***

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COMES NOW Plaintiff, by and through its attorneys, ANGIUS & TERRY LLP, and for causes of action against Defendants, and each of them, alleges as follows:

GENERAL ALLEGATIONS

1. Plaintiff ANTHEM COUNTRY CLUB COMMUNITY ASSOCIATION, INC. ("Association" or "Plaintiff") is, and at all relevant times was, a Nevada non-profit mutual benefit corporation duly organized and existing by virtue of the laws of the State of Nevada, located in the City of Henderson, Clark County, Nevada.

2. Association is informed and believes and thereon alleges that defendant TERRAVITA HOME CONSTRUCTION COMPANY ("TERRAVITA") is, and at all relevant times was, an Arizona corporation doing business in Clark County, Nevada.

3. The true names and capacities of Does 1 through 300 are unknown to Association, who therefore sues said defendants by such fictitious names. The Association will move to amend this Complaint to show their true names and capacities when the same have been ascertained.

4. Association is also unaware of the basis of liability as to some or all of the fictitious defendants sued herein as Does 1 through 300 but believes that their liability arises out of the same general facts set forth herein. Association will move to amend this Complaint to assert the theories of liability against the fictitiously named defendants when they have been ascertained.

5. Association is informed and believes and thereon alleges that each of the Doe Defendants are legally responsible in some manner for the events and damages referred to herein, and legally and proximately caused damage to Association. Each and every defendant had a duty to Association's members as reasonably foreseeable purchasers and Project residents to use reasonable care in performing the tasks as related to the planning, development, creation, improvement, design, construction, inspection, promotion and sale of the Anthem Country Club Project.

6. Association is informed and believes and thereon alleges that at all relevant times, each defendant was the agent and employee of each of its co-defendants, and in doing the things herein alleged, was acting within the course and scope of his/her authority as such

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agent and employee, and each defendant has ratified and approved the acts of his/her agents and employees.

7. Association is informed and believes and thereon alleges that TERRAVITA owned certain real property located in the City of Henderson, Clark County, Nevada, consisting of approximately 1647 single family homes, a club house, pool and Common Areas, commonly known as the Anthem Country Club (hereinafter, "the Project"), but more particularly described as:

Anthem Country Club, Parcel 1 of Parcel Map in Book 084, Page 0057, recorded June 1, 1998, as Document No. 02189, Parcel 2 of Parcel Map in Book 084, Page 0058, recorded June 1, 1998, as Document No. 02192, Parcel 30 of Parcel Map in Book 084 Page 0059, recorded June 1, 1998, as Document No. 02196, Parcel 31 of Parcel Map in Book 084, Page 0060, recorded June 1, 1998, as Document No. 02199, Parcel 32 of Parcel Map in Book 084, Page 0061, recorded June 1, 1998, as Document No. 02202, all of the Official Records of the Clark County, Nevada recorder.

8. Association is informed and believes and thereon alleges that TERRAVITA and Does 1 through 10 (collectively referred to herein as "Developer Defendants") developed, planned, improved, designed, constructed, promoted, marketed, advertised and sold the homes and Common Areas within the Project to individual members of Association, or their predecessors in title.

9. Association is informed and believes and thereon alleges that Developer Defendants created Association, and caused it to accept management, operation and control of the Common Areas and various aspects of the Project for the benefit of its members.

10. Association is informed and believes and thereon alleges that Developer Defendants caused and assented to the recordation of certain Covenants, Conditions and Restrictions ("CC&R's"), recorded in the office of the Clark County Recorder.

11. Association is informed and believes and thereon alleges that Developer Defendants caused and assented to the filing of certain Articles of Incorporation ("Articles") in the Office of Secretary of State of the State of Nevada and further caused and assented to

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the preparation and execution of certain By-Laws ("Bylaws") pertaining to the Association. (The Bylaws, Articles and CC&R's are referred to collectively as the "Governing Documents.")

12. As set forth in the Governing Documents and Nevada law, the purpose and powers of Association are, and at all relevant times were, to provide administration, maintenance, preservation and architectural control of the Common Areas within the Project; to preserve the values and amenities in the Project; to promote the general welfare of the community comprising the Association; and to possess and exercise all powers of a non-profit mutual benefit corporation operating for the benefit and on behalf of the members, subject only to the limitations set forth in the Governing Documents.

13. As further set forth in the Governing Documents and Nevada law, Association is obligated to maintain, repair and replace various elements of the real property and improvements thereto, and located within the Project referred to as "Common Areas" for the common use and enjoyment of all members of Association.

14. Association is informed and believes and thereon alleges that Developer Defendants and Does 11 through 25 (collectively referred to herein as "Fiduciary Defendants") were employees and/or agents of Developer Defendants, who served as directors and officers of Association until such time as Developer Defendants, by virtue of the Governing Documents and Nevada law, could no longer elect the Fiduciary Defendants to serve as Association's directors and officers.

15. Association is informed and believes and thereon alleges that Defendants TERRAVITA and Does 26 through 100 were individuals and/or entities and all their employees and agents (collectively referred to herein as "Contractor Defendants") who performed services as general contractors or subcontractors, and/or provided equipment, materials and/or supplies for the construction of the Project.

16. Association is informed and believes and thereon alleges that Does 101 through 125 were individuals and/or entities (collectively referred to herein as "Design Professional Defendants") who provided design services to Developer Defendants in

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connection with the planning, design, specification, inspection, development and construction of the Project.

17. Association is informed and believes and thereon alleges that Does 126 through 150 were individuals and/or entities (collectively referred to herein as "Supplier Defendants") who supplied, manufactured and/or distributed materials, products and goods used in or for the construction of the Project.

18. Association is informed and believes and thereon alleges that Does 151 through 175 (collectively referred to herein as "Surety Defendants") are individuals and/or entities who were, and now are, authorized to engage in, and actually engaged in, the surety insurance business in the State of Nevada.

19. Association is informed and believes and thereon alleges that Does 176 through 200 (collectively referred to herein as "Successor Defendants") were individuals and/or entities who succeeded to the obligations and liabilities of the Developer Defendants and Contractor Defendants herein pursuant to operation of law, contracts, investment or by other legal means.

20. Association is informed and believes and thereon alleges that there exists, and at all relevant times there existed, a unity of interest and ownership between and among Developer Defendants, Fiduciary Defendants and Does 201 through 225 (collectively referred to herein as "Alter Ego Defendants"), such that any individuality and separateness between and among the Alter Ego Defendants ceased to exist, and that if the acts that harm Association are treated as those of said Developer Defendants alone, an inequitable result will follow such that equity requires that the Alter Ego Defendants be held responsible for the acts of the Developer Defendants. The circumstances by which such liability should be imposed include, but are not limited to, failure to adequately capitalize the corporation; the total absence of corporate assets, or undercapitalization; diversion of assets from the corporation by or to a stockholder or other person or entity, to the detriment of creditors or other third parties, or manipulation of assets and liabilities between entities so as to concentrate the assets in one and the liabilities in another; contracting with another with intent to avoid performance by use

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of the corporate entity as a shield against personal liability; and formation and use of the corporation to transfer to it the existing liability of another person or entity.

21. Association is informed and believes and thereon alleges that from time to time during the approximate period 1998 to 2003 (the "Construction Period"), and from 2003 to the date of this Complaint, but particularly during the actual construction of the Project, defendants performed inspections and reported on conditions of various elements of the Project, including the Common Areas, and made recommendations as to said conditions to co-defendants.

22. Association is informed and believes and thereon alleges that defendants or those who such defendants hired to make inspections did not reveal, disclose or inform Association or its members of the defective conditions of the Project observed during inspections conducted by said parties, and Association's members reasonably relied on the implied and express representation that the Project and Common Areas were free from defects and that the Association's obligations of maintenance, repair and replacement of the Common Areas as required by the Governing Documents could be funded by the budget estimates submitted by defendants to Association.

23. Association is presently unaware of when all of the defective conditions alleged herein first occurred or manifested themselves or caused physical injury to or destruction of tangible property, or the loss of use of such property, but asserts that the construction deficiencies at the Project have developed and occurred over a number of years since substantial completion of the Project, said deficiencies and resulting physical injuries being continuous and progressive.

24. Since the original construction of the Project and for a period of several years thereafter, defendants promised, agreed to and actually did make certain repairs to the Project's Common Areas, and in doing so, Association reasonably relied on defendants' promises, agreements and repairs, and thereby deferred the filing of the within action. During the period in which defendants made such promises, agreements and repairs, all statutes of limitations were tolled and defendants are estopped from claiming that the alleged expiration of any statutes of limitations bar the within action.

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25. Association is informed and believes and thereon alleges that Association and its members have sustained and suffered consequential damages resulting from defendants' acts and/or omissions including, without limitation, physical injury and/or destruction of tangible property and the loss of use of Common Areas; consequential damages to Common Areas; damage to separate interests related to Common Area defects; damage to personal property related to Common Area defects; and has or will incur relocation expenses.

26. Pursuant to the Governing Documents and Nevada Revised Statute Section 116.3102, Association brings this action individually on its own behalf and in its representative capacity for damage to the Common Areas, damages to the separate property interests which arise out of or are integrally related to damage in the Common Areas, and damages to the separate interests that Association is obligated to maintain or repair. Pursuant to said Section, Association has standing to institute this legal action for the damages alleged herein in its own name as the real party in interest and without joining with it the individual owners of the common interest development, with the exception of those damages or injuries that are intangible and inherently personal to the individual members of Association. Association commenced this action, in part, to protect the health, safety and welfare of the members of the Association.

27. Association also brings this action to enforce the personal and property rights of the Association members pertaining to the undivided interests in the Common Areas of the project, and to enforce the property rights pertaining to the Common Areas. The persons in the class are so numerous that the joinder of all such persons is impractical and the disposition of their claims in a class action is a benefit to the parties and to the Court. There is a well-defined community of interest in the common questions of law and fact affecting the parties to be represented in that this action involves construction defects and design deficiencies in the Common Areas of the subject property. This action also involves alleged breaches of warranties. The common questions of law and fact predominate over questions of law and fact which pertain only to individual class members. Proof of a common or single state of facts will establish the right of each member of the class to recover. The Association will fairly and adequately represent the interests of the class. Association sues in its representative

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capacity on all causes of action which are not appropriately the subject of Association claims under Nevada Revised Statute Section 116.3102. Association has and/or will receive assignments of causes of action against the defendants from each of the members of the Association.

28. Association is informed and believes and thereon alleges that Defendants TERRAVITA and DOES 1 through 100 were, and at all times herein mentioned are, engaged in the production of residential structures and appurtenances for sale and use by members of the general public, and that said Defendants, and each of them, participated in the development, design, construction and/or sale of the Project.

29. Association is informed and believes and thereon alleges that Defendants TERRAVITA and DOES 1 through 100, as developers, sellers and/or builders developed the Project, and it was the intent and understanding of such defendants that the Common Areas of the project would be used by members of the public for residential purposes and sold to individual members of Association.

30. Association is informed and believes and thereon alleges that Defendants TERRAVITA and DOES 1 through 100, as developers, designers, sellers and/or builders of the Project, knew that the Project and structures thereon, including the Common Areas, would be sold to and be used by members of the general public for the purpose of residences, and said Defendants knew or reasonably should have known that the persons who would purchase said units and Common Areas would do so without inspection for the defects set forth herein.

31. Defendants TERRAVITA and DOES 1 through 100, at all times herein mentioned, were and are merchants with respect to the Project and structures thereon, and represented that the Project and structures thereon, including the Common Areas, were of merchantable quality and were erected in a reasonable and workmanlike manner.

32. Defendants TERRAVITA and DOES 1 through 100, as developers, mass-developers, mass-constructors and mass-producers of the Project, are liable and responsible to Plaintiff for all damages suffered as a result of the Common Area deficiencies set forth herein.

33. Within the past two years, Association has discovered that the project has been and is experiencing defective conditions of the real property and structures thereon, including

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without limitation: cracked and deteriorated concrete curb and gutter; chips in the concrete curb and gutter; water ponding in concrete gutters; vertical offset concrete curb; cracked concrete drainage swales or cross gutters; cracked, chipped and deteriorated concrete sidewalks; vertical offset concrete sidewalk; ponding on concrete sidewalk; cracked and eroded asphalt pavement; deteriorated asphalt seal; asphalt pavement below edge of swale; brick pavers set below edge of swale; irregular asphalt pavement surface (gouges); sinkhole in asphalt pavement; asphalt not sealed for certain communities; ponding on asphalt pavement; ponding on pavers; deteriorated concrete utility pad; debris on finish surface; blue reflective fire hydrant blue pavement markers omitted; sinkhole has formed in the street; broken utility collar; cracked concrete manhole cover; chipped concrete utility pad or manhole cover; cracked concrete vault cover or pad; settled concrete utility vault; sinking storm drain inlets; efflorescence forming on retaining walls; decorative caps on retaining walls are deteriorating; color coat on retaining walls is deteriorating and color is changing; cracked masonry fence; short vertical reinforcing in masonry fence; missing vertical and horizontal reinforcing in masonry fence; metal fence or post installed in direct contact with soil; metal fencing is not properly installed; metal fencing is rusting; cracked concrete landscape curb at base of fence; expansion joint filled with stucco or grout; exposed wall footing; deteriorated wall caps; incorrect drain inlets at cul-de-sacs; ramp is omitted; mail boxes are too low; pool lights are improperly installed; a second "residents only" entry and exit was not provided; and cracks in the bottom of the community pool. Said components are not of merchantable quality, nor were they designed, erected, constructed or installed in a workmanlike manner, but instead are defective and, as now known, the subject components demonstrate improper, nonexistent, and/or inadequate design, construction, manufacture, installation, and/or build. Association is informed and believes and thereon alleges that the structures may be additionally defective in ways and to an extent not precisely known, but which will be established at the time of trial, according to proof.

34. Association has complied with all prefiling requirements of Nevada Revised Statutes 40.600 through 40.695, except to the extent such requirements have been excused.

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waived or rendered irrelevant by the actions, failure to act or status of Defendants, and each of them.

35. Association is informed and believes and thereon alleges that the items generally referred to and particularly described herein were "latent deficiencies" within the meaning of Nevada Revised Statutes §11.202 through §11.205, in that the above-described defects arose out of, were attributable to and are directly and proximately caused by the above-described latent deficiencies in the design, specifications, planning, supervision, observation of construction, construction, development and/or improvement of the subject premises and subject structures, and that prior to the time when it was discovered by Association as set forth herein, could not have been discovered by the exercise of reasonable diligence. Association, at all times herein mentioned, relied on the skill of Defendants TERRAVITA and DOES 1 through 100, in producing the Project and structures thereon, including the Common Areas, that were reasonably fit for their intended purpose.

36. Association is still not fully aware of all of the causes, the full extent and possible legal significance of the results or causes of the property conditions herein above-described due to the loss being continual and latent in nature. Association is lay individuals who have required expert consultations to provide a review of the property conditions. Association is still not informed of all causes or entire results of the full extent of these latent deficiencies, nor is Association fully informed of the potential causes of the resultant distress due to the loss being continual and latent in nature.

37. Association is informed and believes and thereon alleges that Defendants TERRAVITA and DOES 1 through 100, did inspect and market the Common Areas with full knowledge of the causes and effects of defects in the construction of the Common Areas, the deficiencies in design, installation and supervision thereof and, in willful and reckless disregard of the defective conditions, causes and results. In particular, Association is informed and believes and thereon alleges that said Defendants in the inspection, design, installation and supervision of the Project, engaged in a course of conduct to reduce the costs of development by the use of substandard, deficient and inadequate design and construction techniques and materials.

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38. Association is informed and believes and thereon alleges that Defendants TERRAVITA and DOES 1 through 100, ignored curing the causes of the defects and pursued a course of development and construction of the Project so as to increase their profit from the project at the expense of the ultimate purchaser, knowing that the defects were latent and not apparent from a casual inspection, but would only become apparent as time passed.

39. Association is informed and believes and thereon alleges that any and all repair attempts by Defendants TERRAVITA and DOES 1 through 100, failed to adequately correct said property damage and deficiencies, resulting in further property damage.

40. Association is informed and believes and thereon alleges that instead of causing the necessary and required reconstruction and repair of the Project, Defendants TERRAVITA and DOES 1 through 100, have caused cosmetic, temporary or ineffective repairs to be made to various portions of the Project for the purpose of leading Association to believe that said Defendants were resolving and correcting all deficiencies. By virtue of such conduct, said Defendants are estopped to assert that the Association has not commenced this action in a timely fashion and are further estopped to assert that the Plaintiff may not seek the damages herein sought.

41. Association is informed and believes and thereon alleges that the above-described defects arose out of, were attributable to, and are directly and proximately caused by the above-described deficiencies in the design, specification, planning, supervision, observation of construction, development and/or improvement and any repairs to the Project, and that prior to the time when the defects were discovered by Association as set forth herein, they could not have been discovered by the exercise of reasonable diligence.

CAUSES OF ACTION

FIRST CAUSE OF ACTION
(Breach of Implied Warranties)
(Against TERRAVITA, DOES 1 through 100 and DOES 176 through 225)

42. Association realleges and incorporates by reference paragraphs 1 through 41.

43. At the time each of the homes were purchased by individual members of Association, Defendants TERRAVITA and Does 1 through 100 impliedly warranted that the

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Common Areas were constructed in accordance with applicable law, according to sound standards of engineering and construction, in a commercially reasonable, habitable and workmanlike manner and free from defective materials.

44. Defendants TERRAVITA and Does 1 through 100 impliedly warranted that the Common Areas were of merchantable quality and were fit for ordinary residential and community purposes without significant defective construction or conditions un-remedied or unrepaired by said Defendants.

45. Association is informed and believes and thereon alleges that the Common Areas were not constructed in accordance with applicable law or according to sound standards of engineering and construction, were not constructed in a workmanlike manner, were not free from defective materials, and were not of proper durability, reliability, habitability, merchantability, and/or general quality and not fit for their intended use.

46. Association is informed and believes and thereon alleges that as a direct and proximate result of the defects set forth herein, Association has suffered damages in an amount precisely unknown, but believed to be within the jurisdiction of this Court in that it has been and will hereafter be required to perform works of repair, restoration, and construction to portions of the Common Areas to prevent further damages and to restore the structures to their proper condition. Association will establish the precise amount of such damages at trial, according to proof, for the following damages:

a. The cost of any repairs already made;

b. The cost of any repairs yet to be made that are necessary to cure any construction defect;

c. The expenses of temporary housing reasonably necessary during the repairs;

d. The loss of the use of all or any part of the residences;

e. The value of any other property damaged by the construction defects;

f. The reduction in market value of the residences;

g. Any additional costs incurred by the Plaintiff, including, but not limited to, any costs and fees incurred for the retention of experts;

h. Any reasonable attorney's fees;

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i. Any interest provided by statute;

WHEREFORE, Association prays for judgment as hereinafter set forth.

SECOND CAUSE OF ACTION
(Breach of Express Warranties)
(Against TERRAVITA, DOES 1 through 100 and DOES 176 through 225)

47. Association realleges and incorporates by reference paragraphs 1 through 41.

48. Association is informed and believes and thereon alleges that Defendants TERRAVITA and DOES 1 through 100, expressly warranted through sales brochures of the subject premises, related advertising circulars and materials, and through the contracts of sale and related sales warranty information regarding the subject premises, that the Project, including the Common Areas, was designed and constructed in a commercially reasonable and habitable manner.

49. When Defendants TERRAVITA and DOES 1 through 100 offered the Project, including the Common Areas, for sale to the general public for use as residences, Association relied on the express representations of Defendants TERRAVITA and DOES 1 through 100 that the Common Areas were marketed for sale to the general public, and thus were of merchantable quality, suitable for their intended purpose, without major, significant defective construction or conditions, un-remedied or unrepaired by said Defendants.

50. Defendants TERRAVITA and DOES 1 through 100 breached these express warranties by selling the Project, including the Common Areas, with the above-described deficiencies in the design, specification, planning supervision, construction, observation of construction, development and/or improvement and repair of the Common Areas.

51. As a direct and proximate result of the breach of the express warranties by Defendants TERRAVITA and DOES 1 through 100, as alleged above, Association and its members have suffered damages stemming from the failure of the Common Areas, as set forth above.

52. Association is informed and believes and thereon alleges that as a direct and proximate result of the breaches set forth herein, Association has suffered damages in an amount precisely unknown, but believed to be within the jurisdiction of this Court in that it has been and will hereafter be required to perform investigations and works of repair,

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restoration, and construction to portions of the Common Areas and individual homes to prevent further damage and to restore the structures to their proper condition, and/or will suffer damages in an amount the full nature and extent of which shall be ascertained according to proof at trial.

WHEREFORE, Association prays for judgment as hereinafter set forth.

THIRD CAUSE OF ACTION
(Negligence)
(Against TERRAVITA and DOES 1 through 300)

53. Association realleges and incorporates by reference Paragraphs 1 through 41.

54. Association is informed and believes and thereon alleges that Defendants TERRAVITA and DOES 1 through 300, were and are builders, contractors, general contractors, subcontractors, suppliers, material men, architects and/or engineers, or other persons, entities or professionals who participated in the process of design, engineering, manufacture, and/or construction of the Project, including the Common Areas, and who performed works of labor, supplied materials, equipment and/or services necessary for the building and construction, including supervision of construction of the Project with the knowledge that the Common Areas would be sold to and used by members of the public. In so doing, said Defendants in the capacity as builder, contractor, subcontractors, supplier, materialmen, architect, engineer, seller and/or general contractor or otherwise, caused the Project to be designed, engineered and/or constructed through their own works of labor, their supplying of materials, equipment and services, and through causing other contractors and subcontractors, including other Defendants to perform works of labor, to supply materials, equipment and services in order to properly complete the Project so that it could be sold to and used by members of the public.

55. Association is informed and believes and thereon alleges that Defendants TERRAVITA and DOES 1 through 300, whether builder, contractor, subcontractor, supplier, material men, architect, engineer or otherwise, negligently, carelessly, tortuously, and wrongfully failed to use reasonable care in the analysis, preparation, design, manufacture, construction, and/or installation of the Project.

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56. Association is informed and believes and thereon alleges that Defendants TERRAVITA and DOES 1 through 300, whether builder, contractor, subcontractor, supplier, material men, architect, engineer or otherwise, performed work, labor and/or services for the construction of the Project, and each knew or should have known that if the Project was not properly or adequately designed, engineered, supervised and/or constructed, that the owners and users would be substantially damaged thereby, and that the Project would be defective and not of merchantable quality.

57. The Defendants TERRAVITA and DOES 1 through 300 were under a duty to exercise ordinary care as builder, contractor, subcontractor, supplier, material men, architect, engineer or otherwise to avoid reasonably foreseeable injury to users and purchasers of the Project, including the Common Areas, and knew or should have foreseen that purchasers and/or users would suffer the damages set forth herein if said Defendants, and each of them, failed to perform their duty to cause the Project to be designed, engineered and constructed in a proper workmanlike manner and fashion.

58. In performing the works of a builder and/or contractor, subcontractor, supplier, material man, architect, engineer or otherwise, Defendants TERRAVITA and DOES 1 through 300 breached their duty owed to Association and neglected to perform the work, labor and services properly or adequately in that each said Defendant so negligently, carelessly and in an unworkmanlike manner performed the aforesaid work, labor and/or services such that the Project, including the Common Areas, was designed, engineered and/or constructed improperly, negligently, carelessly and/or in an unworkmanlike manner.

59. Association is informed and believes and thereon alleges that as a direct and proximate result of the conduct described herein, Association has suffered damages in an amount precisely unknown, but believed to be within the jurisdiction of this Court, in that it has been and will in the future be required to perform investigations and works of repair, restoration, and construction to portions of the Common Areas and homes to prevent further damage and to restore the Common Areas to their proper condition, and/or will suffer damages in an amount the full nature and extent of which shall be ascertained according to proof at trial.

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WHEREFORE, Association prays for judgment as hereinafter set forth.

FOURTH CAUSE OF ACTION
(Breach of Implied Warranties of Quality–NRS 116.4114)
(Against TERRAVITA, DOES 1 through 10 and DOES 176 through 225)

60. Association realleges and incorporates by reference Paragraphs 1 through 41.

61. NRS 116.4114 provides that the defendants did warrant the suitability (habitability) and quality of the community, including the Common Elements, regardless of when they were developed and/or built. As set forth above, Defendants TERRAVITA and DOES 1 through 10 are the declarant or affiliates of the declarant for the Anthem Country Club development. NRS 116.4114 states that a declarant and any dealer impliedly warrants that the Common Elements in the common-interest community are suitable for the ordinary uses of real estate of its type and that any improvements made or contracted for by him, or made by any person before the creation of the common- interest community, will be:

(a) Free from defective materials; and

(b) Constructed in accordance with applicable law, according to sound standards of engineering and construction, and in a workmanlike manner.

62. Any conveyance of a unit transfers to the purchaser all of the Declarant's implied warranties of quality.

63. Defendants TERRAVITA and DOES 1 through 10 did violate NRS 116.4114 by transferring ownership of Common Areas that were, in many respects, not suitable for use or habitation, not free of defective materials and in violation of time-pertinent building codes and standards.

64. The Association and by incorporation, its unit members, have been harmed by these violations of warranty in many ways. Community property has been damaged by ongoing failures of component systems. The cost to repair or replace conditions that have been damaged, or are in violation of warranties, is expected to exceed $50,000.00.

65. As a result of Defendants' violations of NRS Chapter 116, as expressed above, Plaintiff has suffered actual damages and is entitled to be compensated for such damages, including reasonable attorney's fees, investigative costs and punitive damages, if the conduct of the Defendants is a result of their willful and material failure to comply with NRS

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Chapter 116. NRS 116.4117.

WHEREFORE, Association prays for judgment as hereinafter set forth.

FIFTH CAUSE OF ACTION
(Violations of NRS 116.4102 and NRS 116.4103)
(Against TERRAVITA, DOES 1 through 10 and DOES 176 through 225)

66. The Association incorporates by reference paragraphs 1 - 41.

67. NRS 116.4102 and NRS 116.4103 provides that TERRAVITA and DOES 1 through 10 make full and accurate disclosures of the true condition of the Common Elements of the community as part of the Public Offering Statements given to each original owner.

68. Plaintiff is informed and believes and thereon alleges that a Public Offering Statement was provided to the Anthem Country Club homeowners by TERRAVITA and DOES 1 through 10 and each of them, on or about the time that each homeowner purchased their homes at the Anthem Country Club development. However, Plaintiff is informed and believes and thereon alleges that the Public Offering Statement failed to disclose the true condition of the Project and the Common Areas. TERRAVITA and DOES 1 through 10 and each of them therefore wholly and completely failed to comply with the mandates of NRS 116.4102 and 116.4103.

69. The Association has been harmed by the failure of TERRAVITA and DOES 1 through 10 to disclose the true condition of the Common Areas. Community property has been damaged by ongoing failures of component systems with problems that were not disclosed, and that would have been discovered and disclosed by reasonable inspection. The cost to repair or replace conditions that have been damaged, or are in violation of warranties, that were not properly disclosed is expected to exceed $50,000.00. Similarly, the Association was not adequately funded to address these items, as set forth in Count Six. TERRAVITA

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Las Vegas, NV 89144
(702) 990-2017

and DOES 1 through 10 are liable for false and/or misleading statements or the omission of material facts, and are subject to a statutory action pursuant to NRS 116.4117, below.

70. As a result of TERRAVITA and DOES 1 through 10's violations of NRS Chapter 116, as expressed above, Plaintiff has suffered actual damages and is entitled to be compensated for such damages, including reasonable attorney's fees, investigation costs and punitive damages, if the conduct of TERRAVITA and DOES 1 through 10 is a result of their willful and material failure to comply with NRS Chapter 116. NRS 116.4117.

WHEREFORE, Association prays for judgment as hereinafter set forth.

SIXTH CAUSE OF ACTION
(Violation of NRS 116.4102/NRS 116.4103/NRS 116.31038)
(Inadequate Reserves/Under- Funding)
(Against TERRAVITA, DOES 1 through 10 and DOES 176 through 225)

71. The Association incorporates by reference paragraphs 1 - 41.

72. NRS 116.4103 requires TERRAVITA and DOES 1 through 10 to provide the Association with an adequately funded operating budget and reserves for long-term repairs and/or maintenance. TERRAVITA and DOES 1 through 10 and each of them, prior to sale of the homes at the Anthem Country Club Development, commissioned a Reserve Study of the development. Plaintiff is informed and believes and thereon alleges that this Reserve Study was provided by TERRAVITA and DOES 1 through 10 and each of them to Plaintiff when it was commissioned, and to each homeowner upon the purchase of their homes.

73. In the Reserve Study, TERRAVITA and DOES 1 through 10 did not provide an adequate operating budget or reserves. TERRAVITA and DOES 1 through 10 commissioned a reserve study that assumed that the Common Areas were suitable for use or habitation (untrue), free of defective materials (untrue), and without code violations (also untrue). In fact, TERRAVITA and DOES 1 through 10 knew or should have known of the contrary. They did not incorporate the true condition of the Common Areas in their budget determinations, by intent, resulting in both inadequate budgets and long-term reserve financing, as well as artificially low assessments, meant to attract and deceive prospective customers in a proverbial 'bait-and-switch' scheme.

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74. Further, Plaintiff is informed and believes and thereon alleges that TERRA VITA and DOES 1 through 10 and each of them failed to fund the reserves as required by NRS 116.31038. Pursuant to NRS 116.31038, within 30 days of turning over control of the Association to the Plaintiff, TERRAVITA and DOES 1 through 10 were required to fund the reserve account of the Association with TERRAVITA and DOES 1 through 10's share of the reserve funds due.

75. TERRAVITA and DOES 1 through 10 wholly and completely failed to fund the reserve accounts as required under NRS 116.31038.

76. The Association has been harmed by the failure of TERRAVITA and DOES 1 through 10 to set adequate budgets and reserves, and their failure to adequately fund the reserve account of the Association. As a result of these actions and omissions by TERRA VITA and DOES 1 through 10, Association is not in a sound financial position to permanently repair Common Areas and community property that has been damaged by ongoing failures of component systems. The Association is not in a sound financial position to repair or replace conditions that are otherwise in need of repair or will be in need of repair before their existing budgeted estimates.

77. The Association also seeks relief pursuant to NRS 116.4102 because the Public Offering Statement, including (but not limited to) reserve studies and budgets, contain false and/or misleading statements, or omit material facts (i.e., the true condition of the Common Areas) that provide for an accurate financial statement for this community. TERRAVITA and DOES 1 through 10 are liable for false and/or misleading statements or the omission of material facts and are subject to a statutory action pursuant to NRS 116.4117, below.

78. As a result of TERRAVITA and DOES 1 through 10's violations of NRS Chapter 116, as expressed above, Plaintiff has suffered actual damages and is entitled to be compensated for such damages, including reasonable attorney's fees and punitive damages, if the conduct of TERRAVITA and DOES 1 through 10 is a result of their willful and material failure to comply with NRS Chapter 116. NRS 116.4117.

WHEREFORE, Association prays for judgment as hereinafter set forth.

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SEVENTH CAUSE OF ACTION
(Violation of NRS 116.1113)
(Duty of Good Faith and Fair Dealing)
(Against TERRAVITA, DOES 1 through 100 and DOES 176 through 225)

79. Plaintiff incorporates by reference paragraphs 1 - 41.

80. The pattern and practice of conduct of TERRAVITA and DOES 1 through 100, including but not limited to the overall scheme creating and governing the Project and the Common Areas, incorporating ploys such as inadequate expert investigations, inadequate corrective measures, false and/or deceptive public offerings and under-funding, separate and/or together are violations of the duty of good faith and fair dealing owed to the Association and its members. NRS 116.1113.

81. The Association has been harmed in the various ways and manners described in other counts of this complaint and incorporated by reference.

WHEREFORE, Association prays for judgment as hereinafter set forth.

EIGHTH CAUSE OF ACTION
(Negligent Misrepresentation)
(Against TERRAVITA, DOES 1 through 10 and DOES 176 through 225)

82. The Association incorporates by reference paragraphs 1 - 41.

83. TERRAVITA and DOES 1 through 10 did negligently fail to provide full, complete or accurate statements or reports about the condition of the Common Areas in the following sales and financial documents: the Reserve Study; the Purchase and Sales Agreements and the related sales warranty information; the Public Offering Statement, including the financial statement and Budget; the marketing materials, including the sales brochures of the subject premises; and related advertising circulars and materials.

84. The representations about the condition and useful life of the community and/or its components, including the Common Areas, that were made were- in part- false and/or misleading.

85. The representations made about the financial condition of the community, including budgets, reserves, studies and/or other projections, were in large part false and misleading.

86. These representations were made orally and in writing to Association to induce

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Association to accept conveyance and control of the Project and Common Areas, and Association did accept conveyance and control of the Project and Common Areas.

87. These representations were made orally and in writing to individual members of Association as part of TERRAVITA and DOES 1 through 10's sales program, to induce members of Association to accept a conveyance of the homes within the Project, and members did accept such conveyances.

88. Defendants made the representations as set forth herein in a careless and reckless manner and with no reasonable basis for believing them to be true.

89. Defendants made the representations to Association and members of Association, and/or reasonably expected that such representations would be made by others including, without limitation, accountants, real estate agents, brokers and predecessors-in-interest to the members, and said representations were made based upon the misrepresentations by TERRAVITA and DOES 1 through 10.

90. Actually and justifiably relying upon such negligent misrepresentations as herein alleged, Association accepted conveyance and control of the Project and Common Areas, and Association members entered into contracts for the purchase of and did purchase homes within the Project. The facts which have been misrepresented to Association and to Association members were material to the Association's decision to accept conveyance and control of the Project and Common Areas, and to Association's members' decisions to purchase the homes. Had they been aware of the true facts, Association would not have accepted conveyance and control of the Project and Common Areas and Association members would not have purchased the homes.

91. The negligent misrepresentations of TERRAVITA and DOES 1 through 10 were material, and the Association and its members did rely upon them to their prejudice, injury and/or harm.

92. TERRAVITA and DOES 1 through 10's false and/or misleading representations were the proximate and legal cause of harm, including ongoing and continued damage to Association property, including but not limited to damage and/or harm in the future, prospective repair and maintenance costs, and various economic losses.

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WHEREFORE, Association prays for judgment as hereinafter set forth.

NINTH CAUSE OF ACTION
(Intentional Misrepresentation)
(Against TERRAVITA, DOES 1 through 10 and DOES 176 through 225)

93. The Association incorporates by reference paragraphs 1 - 41.

94. TERRAVITA and DOES 1 through 10 did intentionally fail to provide full, complete or accurate statements or reports about the condition of the Common Areas in the following sales and financial documents: the Reserve Study; the Purchase and Sales Agreements and the related sales warranty information; the Public Offering Statement, including the financial statement and Budget; the marketing materials such as the sales brochures of the subject premises; and related advertising circulars and materials.

95. The representations about the condition and useful life of the community and/or its components, including the Common Areas, that were made were, in part, false and/or misleading.

96. The representations made about the financial condition of the community, including budgets, reserves, studies and/or other projections, were in large part false and misleading.

97. These representations were made orally and in writing to Association to induce Association to accept conveyance and control of the Project and Common Areas, and Association did accept conveyance and control of the Project and Common Areas.

98. These representations were made orally and in writing to individual members of Association as part of TERRAVITA and DOES 1 through 10's sales program, to induce members of Association to accept a conveyance of the homes within the Project, and members did accept such conveyances.

99. These representations were false and were made with the intent to deceive and induce members of Association to accept a conveyance of the homes within the Project, and members did accept such conveyances.

100. Defendants made the representations to Association and members of

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Association with the intent that said representations would be made by others including, without limitation, accountants, real estate agents, brokers and predecessors-in-interest to the members, and the representations were made based upon the misrepresentations by Defendants.

101. Actually and justifiably relying upon such intentional misrepresentations as herein alleged, Association accepted conveyance and control of the Project and Common Areas and Association members entered into contracts for the purchase of and did purchase homes within the Project. The facts which have been misrepresented to Association and to Association's members were material to the Association decision to accept conveyance and control of the Project and Common Areas, and to Association members' decisions to purchase the homes. Had they been aware of the true facts, Association would not have accepted conveyance and control of the Project and Common Areas and Association members would not have purchased the homes.

102. The intentional misrepresentations of TERRAVITA and DOES 1 through 10 were material, and the Association and its members did rely upon them to their prejudice, injury and/or harm.

103. TERRAVITA and DOES 1 through 10's false and/or misleading representations were the proximate and legal cause of harm, including ongoing and continued damage to Association property, including but not limited to damage and/or harm in the future, prospective repair and maintenance costs, and various economic losses.

WHEREFORE, Association prays for judgment as hereinafter set forth.

TENTH CAUSE OF ACTION
(Professional Negligence)
(Against DOES 101 through 125)

104. Plaintiff incorporates by reference Paragraphs 1 through 41.

105. DOE Design Professionals 101 through 125 fell below the professional standard of care for an architect or engineer by accepting work that was, in part, incompetent, unqualified and/or unlicensed to provide, by failing to conduct a reasonable or

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adequate inspection of the Common Areas, and by representing that the Common Areas and its major components were in a good and sound condition, when many are clearly not, and have a useful life (suitability for use) that is far longer than actual or reasonable.

106. These Defendants' professional negligence was a legal and proximate cause of injury, harm and damage to the Association and the community, including ongoing and continued damage to the Common Areas, including but not limited to damage and/or harm in the future, prospective repair and maintenance costs, and various economic losses.

WHEREFORE, Association prays for judgment as hereinafter set forth.

PRAYER

WHEREFORE, Association prays for judgment against Defendants TERRAVITA and DOES 1 through 300, and each of them, as follows:

1. For general and special damages in excess of $50,000.00;
2. For prejudgment interest;
3. For cost of suit and attorneys' fees incurred by Plaintiff herein; and
4. For such other and further relief as the Court may deem just and proper.

DATED: February 3, 20100

ANGIUS & TERRY LLP

/s/ Melissa Bybee
Paul P. Terry, Jr., SBN 7192
John J. Stander, SBN 9198
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Exhibit 32

Exhibit 32

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CLERK OF THE COURT

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DISTRICT COURT

CLARK COUNTY, NEVADA

ANTHEM COUNTRY CLUB COMMUNITY ASSOCIATION, INC. a Nevada non-profit mutual benefit corporation Plaintiff, vs. TERRAVITA HOME CONSTRUCTION COMPANY, INC., an Arizona corporation; and DOES 1 through 300 Defendants.	**CASE NO.: A634626** **DEPT. NO.: XXII** **TERRAVITA HOME CONSTRUCTION CO.'S THIRD-PARTY COMPLAINT**
TERRAVITA HOME CONSTRUCTION COMPANY, INC., an Arizona corporation Third-Party Plaintiff, vs. AMERICAN ASPHALT & GRADING COMPANY, a Nevada corporation,	

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BOBS CONSTRUCTION, INC., a Nevada corporation, CEDCO, INC.a Nevada corporation, CHIEF CONCRETE, INC., a Nevada corporation, FRADELLA IRON WORKS, INC., a Nevada corporation, GOTHIC LANDSCAPING, INC., a Foreign Corporation, MASONRY BUILDERS OF NEVADA, a Nevada corporation, MS CONCRETE CO., INC., a Nevada Corporation, PETE KING NEVADA CORPORATION, a Nevada corporation, SOUTHERN NEVADA PAVING, INC., a Nevada corporation, STEWART & SUNDELL, LLC., a Nevada limited liability corporation, TRAFFIC MASTERS, an unknown entity, WESTERN PIPELINE CONSTRUCTION CORPORATION a Nevada corporation, and ROES 1-250

Third-Party Defendants

COMES NOW Third-Party Plaintiff TERRAVITA HOME CONSTRUCTION CO. (hereinafter "Third-Party Plaintiff") by and through its attorneys Koeller, Nebeker, Carlson & Haluck, LLP, and hereby state this Third-Party Complaint against American Asphalt & Grading Company, a Nevada corporation, Bobs Construction, Inc., a Nevada corporation, Cedco, Inc., a Nevada corporation, Chief Concrete, Inc., a Nevada corporation, Fradella Iron Works, Inc., a Nevada corporation, Gothic Landscaping, Inc., a Foreign Corporation, Masonry Builders of Nevada, a Nevada corporation, MS Concrete Co., Inc., a Nevada Corporation, Pete King Nevada Corporation, a Nevada corporation, Southern Nevada Paving, Inc., a Nevada corporation, Stewart & Sundell, LLC., A Nevada limited liability corporation, Traffic Masters, an unknown

entity, Western Pipeline Construction Corporation, a Nevada corporation, and ROES 1-250 (hereinafter collectively "Third-Party Defendants"), as follows:

GENERAL ALLEGATIONS

1. Third-Party Plaintiff Terravita Home Construction Co. is an Arizona corporation and is, and at all times relevant herein, was authorized to do business in the State of Nevada.

2. At all times relevant herein, each of the Third-Party Defendants were entities doing business in the State of Nevada and performed architectural, engineering, or construction related work and/or supplied materials for the construction of the common area elements of the residential development known as Anthem Country Club located in the City of Henderson, County of Clark, State of Nevada.

3. Each of the Third-Party Defendants were architects, engineers, suppliers, manufacturers or subcontractors who performed engineering, architectural or construction activities for the common area elements located within and throughout the Anthem Country Club development or who supplied or provided to one of the other architects, engineers or subcontractors materials and/or other items which were installed into and/or became a part of the Anthem Country Club development.

4. Third-Party Defendant, AMERICAN ASPHALT & GRADING COMPANY a Nevada corporation, was at all times material hereto, a legal entity doing business in Nevada who designed, engineered and/or performed the work for, construction of, and/or installation of or supplied materials for the construction of the common area elements of the Anthem Country Club development.

5. Third-Party Defendant, BOB'S CONSTRUCTION, INC. a Nevada corporation, was at all times material hereto, a legal entity doing business in Nevada who designed, engineered and/or performed the work for, construction of, and/or installation of or supplied materials for the construction of the common area elements of the Anthem Country Club development.

6. Third-Party Defendant, CEDCO, INC., a Nevada corporation, was at all times material hereto, a legal entity doing business in Nevada who designed, engineered and/or performed the work for, construction of, and/or installation of or supplied materials for the construction of the common area elements of the Anthem Country Club development.

7. Third-Party Defendant, CHIEF CONCRETE, INC, a Nevada corporation, was at all times material hereto, a legal entity doing business in Nevada who designed, engineered and/or performed the work for, construction of, and/or installation of or supplied materials for the construction of the common area elements of the Anthem Country Club development.

8. Third-Party Defendant, FRADELLA IRON WORKS, INC., a Nevada corporation, was at all times material hereto, a legal entity doing business in Nevada who designed, engineered and/or performed the work for, construction of, and/or installation of or supplied materials for the construction of the common area elements of the Anthem Country Club development.

9. Third-Party Defendant, GOTHIC LANDSCAPING, INC., a foreign corporation, was at all times material hereto, a legal entity doing business in Nevada who designed, engineered and/or performed the work for, construction of, and/or installation of or supplied materials for the construction of the common area elements of the Anthem Country Club development.

10. Third-Party Defendant, MASONRY BUILDERS OF NEVADA, a Nevada corporation, was at all times material hereto, a legal entity doing business in Nevada who designed, engineered and/or performed the work for, construction of, and/or installation of or supplied materials for the construction of the common area elements of the Anthem Country Club development.

11. Third-Party Defendant, MS CONCRETE, INC, a Nevada corporation, was at all times material hereto, a legal entity doing business in Nevada who designed, engineered and/or performed the work for, construction of, and/or installation of or supplied materials for the construction of the common area elements of the Anthem Country Club development.

12. Third-Party Defendant, PETE KING NEVADA CORPORATION a Nevada corporation, was at all times material hereto, a legal entity doing business in Nevada who designed, engineered and/or performed the work for, construction of, and/or installation of or supplied materials for the construction of the common area elements of the Anthem Country Club development.

13. Third-Party Defendant, SOUTHERN NEVADA PAVING, INC., a Nevada corporation, was at all times material hereto, a legal entity doing business in Nevada who designed, engineered and/or performed the work for, construction of, and/or installation of or supplied materials for the construction of the common area elements of the Anthem Country Club development.

14. Third-Party Defendant, STEWARD & SUNDELL, LLC a Nevada limited liability corporation, was at all times material hereto, a legal entity doing business in Nevada who designed, engineered and/or performed the work for, construction of, and/or installation of or supplied materials for the construction of the common area elements of the Anthem Country Club development.

15. Third-Party Defendant, TRAFFIC MASTERS, an unknown entity, was at all times material hereto, a legal entity doing business in Nevada who designed, engineered and/or performed the work for, construction of, and/or installation of or supplied materials for the construction of the common area elements of the Anthem Country Club development.

16. Third-Party Defendant, WESTERN PIPELINE CONSTRUCTION CORPORATION, a Nevada corporation, was at all times material hereto, a legal entity doing business in Nevada who designed, engineered and/or performed the work for, construction of, and/or installation of or supplied materials for the construction of the common area elements of the Anthem Country Club development.

17. The true names and capacities, whether individual, corporate, associate or otherwise, of the Third-Party Defendants designated herein as ROES 1-250, are unknown to Third-Party Plaintiff, who therefore sues said Third-Party Defendants by such fictitious names,

and who will seek leave of Court to amend this Third-Party Complaint to set forth their true names and capacities, together with the appropriate charging allegations, when same have been ascertained. Third-Party Defendants ROES 1-250, and/or, each of them, are responsible to Third-Party Plaintiff as subcontractors, design professionals, maintenance contractors, suppliers, manufacturers, insurers or in other capacities based on the facts and theories alleged herein.

FIRST CLAIM FOR RELIEF

Breach of Contract

18. Third-Party Plaintiff repeats, re-alleges and incorporates paragraphs 1 through 17 of this Third-Party Complaint as though fully set forth herein.

19. Third-Party Plaintiff is informed and believes, and thereon alleges, that pursuant to the terms of said written agreements, and wherever else referenced, Third-Party Defendants and ROES 1-250, and each of them, undertook obligations, including but not limited to, maintaining commercial general liability policies, naming Third-Party Plaintiff as Additional Insureds under their respective policies of liability insurance, indemnifying Third-Party Plaintiff, defending Third-Party Plaintiff, and performing their work in a good and workmanlike manner in accordance with the contract, plans, and specifications for the construction of the residences, at the Anthem Country Club development as follows:

> INSURANCE: Contractor shall maintain at all times during performance of said Work:
>
> i) statutory worker's compensation insurance and employer's liability insurance in the amount of the State of Nevada's statutory limits to cover all employees engaged in the Work;
>
> ii) commercial general liability insurance with minimum limits of $1,000,000 combined single limit per occurrence, $2,000,000 general aggregate;
>
> iii) $2,000,000 products/completed operations aggregate; and
>
> iv) automobile liability insurance for all owned, non-owned, and hired vehicles with a minimum limit of $500,000 combined single limit per accident.
>
> The commercial general liability insurance shall specifically include coverage for Contractor's obligations under any indemnification/hold harmless provisions in

this Contract. Contractor may satisfy a portion of the employer's liability/occupational disease, commercial general liability, or automobile liability limits with following form excess or umbrella excess liability insurance. The commercial general liability policy shall be endorsed to include Del Webb Corporation, Del Webb's subsidiaries, and affiliates, and their respective directors, officers, employees, and agents, (hereinafter sometimes collectively referred to as "Webb" in this Section only) as additional insureds, with respect to any claims, losses, expenses, or other costs arising out of this Contract, and shall also be endorsed as primary coverage with respect to any other insurance which may be carried by Webb. It is expressly agreed that any other insurance covering Webb is over and non-contributing with Contractor's commercial general liability insurance.

Certificates of insurance evidencing the worker's compensation, commercial general liability, and automobile liability coverages required herein shall be filed with Webb within five (5) days following the execution of this Contract prior to the commencement of any Work thereunder and shall be maintained in a current status throughout the term of this Contract. Such certificates of insurance shall require the insurer (s) to provide not less than thirty (30) days advance written notice to Webb in the event of any cancellation, non-renewal of material change in the policy limits, terms or conditions. All of the coverages required herein shall be maintained with insurers rated "B+" or better in the most current edition of Best's Insurance Reports.

The worker's compensation/employer's liability/occupational disease insurance required herein may be maintained with the state worker's compensation fund operating in the state in which the job-site is located. Contractor shall immediately notify Webb in writing, of any incident, occurrence, injury, or situation arising in connection with this Contract which may give rise to any claim, or loss under any of the aforementioned insurance coverages.

Contractor hereby waives Contractor's right of recovery against Webb for any claims, losses, expenses, or the costs Contractor may sustain arising out of this Contract and shall cause the worker's compensation policy to be specifically endorsed to waive all rights of subrogation against Webb. Contractor shall maintain Contractor's commercial general liability insurance described above for not less than five (5) years following the completion of this Contract. Contractor also shall maintain adequate property insurance on and security for all equipment and building materials whether on-site, or off-site until such time they are incorporated in the Work and finally acceptance by Webb, as described below. Contractor hereby waives Contractor's right of recovery against Webb for any loss of, or damage to such equipment and building materials, including any loss of use claim, and shall cause each such property insurance policy to include a waiver of subrogation in favor of Webb.

20. Third-Party Plaintiff has fully performed all conditions, covenants and promises required of them in accordance with the terms and conditions of said written agreements.

21. Third-Party Plaintiff is informed and believes, and thereon alleges, that Third-party Defendants and ROES 1-250, and each of them, have breached said written agreements by refusing and failing to comply with their contractual obligations to maintain liability insurance, to name Third-Party Plaintiff as additional insureds under said policies of liability insurance, to indemnify Third-Party Plaintiff, to defend Third-Party Plaintiff, and to perform their work in a good and workmanlike manner, without defects, and in accordance with said written agreements.

22. Third-Party Plaintiff has necessarily engaged Koeller, Nebeker, Carlson & Haluck, LLP to represent them in the defense of Plaintiff's Complaint for Damages, and in this Third-Party Complaint, and have incurred legal fees, court costs, and investigations costs, and will in the future incur further fees and costs by reason of Plaintiff's Complaint for Damages referenced herein.

SECOND CLAIM FOR RELIEF

Express Indemnity

23. Third-Party Plaintiff repeats, re-alleges and incorporates paragraphs 1 through 22 of this Third-Party Complaint as though fully set forth herein.

24. Third-Party Plaintiff is informed and believes, and based thereon alleges, that it entered into written agreements with Third-Party Defendants, and ROES 1-250 wherein said Third-Party Defendants agreed to satisfy, among other things, the following specific terms:

> INDEMNIFICATION: Contractor shall indemnify, protect, defend, and hold harmless Del Webb from and against any and all "Claims" (defined below) directly or indirectly caused by Contractor's negligent or intentional act or omission, regardless of whether such act or omission is active or passive, in Contractor's performance of (or failure to perform) the Work covered by this Contract, including without limitation, the failure to discover dangerous conditions or events regardless of any active or passive negligence of or by Del Webb, but excluding any gross negligence or willful misconduct by Del Webb. For purposes of this indemnification "Del Webb" shall include parent and subsidiary corporations, and the officers, directors, agents, and employees of Del

Webb and such parents and subsidiaries. "Claims" shall mean all claims, demands, causes of action, injuries, losses, damages, liabilities, costs, charges, judgments, or expenses, including without limitation, attorneys' fees, for:

i) personal injury to any person (including employees of Del Webb and Contractor);
ii) property damage; and
iii) any and all penalties, fines or assessments imposed on account of any violation of any law or statute required to be complied with by Contractor.

Contractor shall at Contractor's own cost and expense and risk, defend all suits, actions, or other proceedings that may be instituted by a third party against Del Webb covered by this indemnification. Contractor shall reimburse Del Webb for any expenses Del Webb incurs in enforcing this indemnification.

25. Third-Party Plaintiff is informed and believes, and thereon alleges, the defects and damages alleged by Plaintiff in its Complaint for Damages involve alleged defects and alleged damages to portions of the Anthem Country Club development. Third-Party Plaintiff is informed and believes, and thereon alleges, that any damages alleged by Plaintiff were caused by Third-Party Defendants and ROES 1-250, and each of them, arising out of and connected with the performance of their obligations pursuant to those written agreements herein referred to and entered into by the above-specified Third-Party Defendants.

26. Third-Party Plaintiff has made a demand or by this Third-Party Complaint demand that Third-Party Defendants and ROES 1-250, defend, indemnify, release, and hold harmless Third-Party Plaintiff for any liability, and the resulting sums to be paid, which are assigned to Third-Party Plaintiff due to judgment on, or settlement of, the allegations in Plaintiff's Complaint for Damages.

27. Third-Party Plaintiff is informed and believes, and thereon alleges that Third-Party Defendants, have failed and refused to, and continue to fail and refuse to defend, indemnify, release and hold harmless Third-Party Plaintiff.

28. Third-Party Plaintiff has necessarily retained Koeller, Nebeker, Carlson & Haluck, LLP to defend against the Complaint for Damages filed by Plaintiffs, thereby incurring costs and attorneys' fees in the defense of this action and in the prosecution of this Third-Party

Complaint. Third-Party Plaintiff will seek leave of Court to amend this Third-Party Complaint to show the amount of said cost of attorneys' fees when the same becomes known to Third-Party Plaintiff.

29. Third-Party Plaintiff is entitled to express indemnity from the above-specified Third-Party Defendants, and each of them, pursuant to the terms of the written agreements entered into between Third-Party Plaintiff and each of the specified Third-Party Defendants, including costs and attorneys' fees according to proof at trial.

THIRD CLAIM FOR RELIEF

Equitable Indemnity

30. Third-Party Plaintiff repeats, re-alleges and incorporates paragraphs 1 through 29 of this Third-Party Complaint as though fully set forth herein.

31. Third-Party Plaintiff, by way of its Answer to Plaintiff's Complaint for Damages, has denied and continues to deny Plaintiffs' allegations and has asserted by way of Answer the appropriate affirmative defenses.

32. In the event that the trier of fact concludes that the allegations of Plaintiff are true, and if Third-Party Plaintiff is held liable to Plaintiffs in said action, then Third-Party Plaintiff alleges that any responsibility found on the part of Third-Party Plaintiff will be due to the negligence and/or fault of Third-Party Defendants, ROES 1-250, and each of them.

33. By reason of the foregoing, if Plaintiff should recover judgment against Third-Party Plaintiff and/or if Third-Party Plaintiff should enter into a settlement or compromise with Plaintiff, then Third-Party Plaintiff will be entitled to judgment in the like amount, or in proportion to fault, for comparative indemnity over and against Third-Party Defendants, ROES 1-250, and each of them, and in addition, Third-Party Plaintiff will be entitled to recover from Third-Party Defendants, ROES 1-250, and each of them, all costs, expenses, and attorneys' fees that Third-Party Plaintiff incurs in the preparation of its defense of the principal action, and in the preparation, presentation and prosecution of this Third-Party Complaint, respectively.

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FOURTH CLAIM FOR RELIEF

Breach of Express Warranty

34. Third-Party Plaintiff repeats, re-alleges and incorporates paragraphs 1 through 33 of this Third-Party Complaint as though fully set forth herein.

35. The written agreements between Third-Party Plaintiff and Third-Party Defendants provide the description of the work to be performed by Third-Party Defendants, and their guarantee and warranty of said work as follows:

> WARRANTY: If at any time during one (~1 year after the date of completion and acceptance of the Work by Anthem Country Club (or such longer period as may be specified in Exhibit "B" attached hereto), any part of the materials or workmanship furnished by Contractor shall prove to be defective or not in conformity with plans and specifications, Contractor shall be responsible for the replacement or repair of the non-conforming or defective Work to Anthem Country Club's satisfaction, including all costs incidental thereto, without cost to Anthem Country Club. In the event Contractor's Work on this project terminates prior to the expiration date of all warranty periods, Contractor will remain obligated to fulfill Contractor's responsibilities for all such Work covered by this Contract. Anthem Country Club reserves the right to withhold from current and future payables due under this Contract, for a period of ninety (90) days following the termination of this Contract, an amount equal to ten percent (10%) of the total amount to be paid for Work completed under the terms hereof to off-set any expenses incurred by Anthem Country Club to complete unfinished Work or any Work not meeting the requirements of this Contract, including warranty Work. At the end of such ninety (90) day period, all amounts withheld that have not been applied or are not required to be applied to the cost of such non-conforming Work, warranty Work, or completion items, shall be paid to Contractor. This warranty shall not limit or void any extended or longer warranty provided under applicable law for a latent construction defect, or under any case law extending the warranty provided by the developer to the buyer of any residential unit.

36. As set forth in the written agreements between Third-Party Plaintiff and Third-Party Defendants, and as further alleged above and elsewhere in this Third-Party Complaint, Third-Party Defendants, ROES 1 – 250, and each of them, agreed and guaranteed to perform their work in a good and workmanlike manner.

37. Third-Party Plaintiff relied upon such warranties and believed in good faith that the construction of the Anthem Country Club development would comply with approved plans

and specifications for the Anthem Country Club development and would be free from defective construction or workmanship.

38. Third-Party Plaintiff has fully performed all conditions and promises required on its part to be performed in accordance with the terms and conditions of the underlying written agreements.

39. Third-Party Plaintiff has provided notice, or by this Third-Party Complaint provides notice, to the Third-Party Defendants, ROES 1 - 250, and each of them, of claims asserted by Plaintiff, which if true, would trigger the warranty provisions identified above and elsewhere in the Third-Party Complaint.

40. Third-Party Plaintiff has undertaken defense of the matter in question and if Plaintiff recovers judgment against Third-Party Plaintiff for failure to comply with the approved plans and specifications, or alleged defective construction or workmanship, or if Third-Party Plaintiff incurs any expense in the defense of said lawsuit, then Third-Party Plaintiff alleges that it are entitled to judgment over and against Third-Party Defendants, ROES 1 – 250, and each of them, for all sums that Third-Party Plaintiff incurs by reason of said judgment, settlement, and expense of litigation, including reasonable attorneys' fees and costs, as provided by the contract agreement.

FIFTH CLAIM FOR RELIEF

Breach of Implied Warranty

41. Third-Party Plaintiff repeats, re-alleges and incorporates paragraphs 1 through 40 of this Third-Party Complaint as though fully set forth herein.

42. Third-Party Plaintiff is informed and believes, and thereon alleges that Third-Party Defendants and ROES 1-250, impliedly warranted that the work performed by Third-Party Defendants at the Anthem Country Club development was performed in a reasonably workmanlike manner.

43. Third-Party Plaintiff is informed and believes, and thereon alleges, that Third-Party Defendants and ROES 1-250, impliedly warranted that their work that the common area

elements of the Anthem Country Club development were of merchantable quality and safe and fit for their foreseeable or intended use.

44. Plaintiff has alleged in its Complaint for Damages that the Third-Party Plaintiff is somehow liable for the damage, if any, it has alleged. Third-Party Plaintiff, by way of their Answer to Plaintiff's Complaint for Damages, has denied and continues to deny Plaintiff's allegations and have asserted, by way of Answer, the appropriate affirmative defenses. If at the trial of this action, it should be determined that Third-Party Plaintiff is in some manner responsible to Plaintiff, then Third-Party Plaintiff is informed and believes, and thereon alleges, that the proximate cause of Plaintiff's damage, if any, was a result of Third-Party Defendants' failure to construct the common area elements of the Anthem Country Club development in a reasonably workmanlike manner as warranted by Third-Party Defendants, ROES 1-250, and each of them, and therefore Third-Party Defendants and ROES 1-250 have breached their implied warranty.

45. Third-Party Plaintiff intends this Third-Party Complaint to constitute notice to said Third-Party Defendants and ROES 1-250 of the breach of said implied warranty.

46. Third-Party Plaintiff alleges that, by virtue of their breach of implied warranty, Third-Party Defendant and ROES 1-250 are liable to Third-Party Plaintiff for resulting damages, including, but not limited to the expenses in defending Plaintiff's Complaint for Damages, any judgment or settlement ultimately favoring Plaintiff, and the expense of maintaining this Third-Party Complaint.

SIXTH CLAIM FOR RELIEF

Declaratory Relief Regarding Duty to Defend Against All Third-Party Defendants, ROES 1-250

47. Third-Party Plaintiff repeats, re-alleges, and incorporates paragraphs 1 through 46 of this Third-Party Complaint as though fully set forth herein.

48. An actual controversy exists between Third-Party Plaintiff and Third-Party Defendants, and all ROES 1-250, as to their rights and liabilities with respect to any ultimate

responsibility to Plaintiff and with respect to the rights of the Third-Party Plaintiff to receive, or duty of the Third-Party Defendants to provide, a defense to Third-Party Plaintiff.

49. Third-Party Plaintiff contends that, if Plaintiff's claims arise out of or in any manner are connected to the work, materials or services provided by Third-Party Defendants, or the contracts between Third-Party Plaintiff and the Third-Party Defendants expressly provide for the defense of Third-Party Plaintiff against the claims of Plaintiff, then Third-Party Defendants have an obligation to defend Third-Party Plaintiff without, and before, a determination of the fault of the Third-Party Defendants for the damages alleged by Plaintiff.

50. Third-Party Plaintiff is informed and believes, and thereon alleges, that Third-Party Defendants and ROES 1-250 contend to the contrary. Therefore, an actual controversy exists relative to the legal rights and duties of the respective parties pursuant to their written agreements, which controversy Third-Party Plaintiff requests the court to resolve in the form of Declaratory Judgment.

SEVENTH CLAIM FOR RELIEF
Declaratory Relief Regarding Duty to Indemnify
Against All Third-Party Defendants, ROES 1-250

51. Third-Party Plaintiff repeats, re-alleges, and incorporates paragraphs 1 through 50 of this Third-Party Complaint as though fully set forth herein.

52. An actual controversy exists between Third-Party Plaintiff and Third-Party Defendants, and ROES 1-250 as to their rights and liabilities with respect to any ultimate responsibility to Plaintiff and with respect to the rights to receive, or duty to give, indemnification in proportion to their comparative fault, if any.

53. Third-Party Plaintiff contends that if it suffers judgment in the action brought by Plaintiff or if it pays monies by way of reasonable compromise of said claim, then Third-Party Plaintiff is entitled to be indemnified by all Third-Party Defendants and ROES 1-250, and entitled to judgment over and against Third-Party Defendants and ROES 1-250, to the extent that Third-Party Plaintiff's financial responsibility to Plaintiff exceeds the percentage of Third-Party Plaintiff's negligence, fault, or liability, if any.

54. Third-Party Plaintiff is informed and believes, and thereon alleges, that Third-Party Defendants and ROES 1-250, contend to the contrary. Therefore, an actual controversy exists relative to the legal rights and duties of the respective parties pursuant to their written agreements, which controversy Third-Party Plaintiff requests the court to resolve in the form of Declaratory Judgment.

EIGHTH CLAIM FOR RELIEF
Declaratory Relief Regarding Duty to Name Third-Party Plaintiff as Additional Insured Against ROES 1-250

55. Third-Party Plaintiff repeats, re-alleges, and incorporates paragraphs 1 through 54 of this Third-Party Complaint as though fully set forth herein.

56. An actual controversy has arisen and now exists between Third-Party Plaintiff and Third-Party Defendant Insurers, concerning their respective rights and duties in that Third-Party Plaintiff contends it is an additional insured under the policies of insurance provided by Third-Party Defendant Insurers to various Third-Party Defendants under the terms of the Third-Party Defendants' liability policies of insurance provided by Third-Party Defendant Insurers.

57. Third-Party Plaintiff is informed and believes, and thereon alleges, that Third-Party Defendant Insurers contend to the contrary. Therefore, an actual controversy exists relative to the legal rights and duties of the respective parties pursuant to their written agreements, which controversy Third-Party Plaintiff requests the court to resolve in the form of Declaratory Judgment.

NINTH CLAIM FOR RELIEF
Contribution
Against All Third-Party Defendants, ROES 1-250

58. Third-Party Plaintiff repeats, re-alleges, and incorporates paragraphs 1 through 57 of this Third-Party Complaint as though fully set forth herein.

59. Third-Party Plaintiff contends that it is not responsible legally or otherwise for the damage created from the Constructional Defects alleged by Plaintiff in this litigation. Despite this, Third-Party Plaintiff has incurred expenses investigating and repairing, among

other expenses, common area elements of the Anthem Country Club that have been damaged by Third-Party Defendants.

60. In the event that the trier of fact concludes that the allegations of Plaintiff are true, and if Third-Party Plaintiff is held liable to Plaintiff in said action, then Third-Party Plaintiff alleges that any responsibility found on the part of Third-Party Plaintiff will be due to the negligence and/or fault of Third-Party Defendants and ROES 1-250 and each of them

61. By reason of the foregoing, if Plaintiff should recover judgment against Third-Party Plaintiff and/or if Third-Party Plaintiff should enter into a settlement or compromise with Plaintiff, then Third-Party Plaintiff will be entitled to contribution over and against Third-Party Defendants, ROES 1-250, and each of them, for all costs, expenses, and attorneys' fees that Third-Party Plaintiff incur in the preparation and presentation of its defense of the principal action, and in the preparation, presentation and prosecution of this Third-Party Complaint, respectively.

62. Third-Party Plaintiff has necessarily engaged the law firm Koeller, Nebeker, Carlson & Haluck, LLP to represent them in the defense of the Plaintiff's Complaint for Damages, and in this Third-Party Complaint, and have incurred legal fees, courts costs, and investigation costs, and will in the future incur further fees and costs by reason of Plaintiff's Complaint for Damages referenced herein.

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WHEREFORE, Third-Party Plaintiff respectfully request that this Court enter judgment against Third-Party Defendants and ROES 1-250, and each of them as follows:

1. A determination that each Third-Party Defendant and ROES 1-250, and each of them, contributed in some percentage to the loss, damage and detriment alleged by Plaintiff and for a declaration of percentages by which the conduct of Third-Party Defendants and ROES 1-250 and each of them, contributed to the loss, damage and detriment, if any, of the Plaintiff;
2. A determination that Third-Party Plaintiff is an additional insured under the policies of insurance provided by Third-Party Defendant Insurers to various Third-Party Defendants under the terms of the Third-Party Defendants' liability policies of insurance provided by Third-Party Defendant Insurers
3. That if Plaintiff should recover sum or judgment against Third-Party Plaintiff, that Third-Party Plaintiff should have judgment against Third-Party Defendants and ROES 1-250;
4. That Third-Party Plaintiff is entitled to a defense from Third-Party Defendants and ROES 1-250;
5. For general and special damages in an amount to be proven at trial;
6. For indemnity of all damages and/or economic losses that Plaintiff recovers against Third-Party Plaintiff by way of judgment, order, settlement, compromise, or trial;
7. For reasonable attorneys' fees, expert fees and costs;
8. For prejudgment and post-judgment interest;
9. For contribution pursuant to NRS 17.225; and

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10. For such other and further relief as the Court may deem just, equitable, and proper.

Dated this 23rd day of June, 2011.

KOELLER, NEBEKER, CARLSON & HALUCK, LLP

BY: [signature]

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Terravita Home Construction Co.

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Exhibit 33

Exhibit 33

THE LAW FIRM OF
JUDD J. BALMER, ESQ., LTD.
A NEVADA PROFESSIONAL CORPORATION

September 12, 2011

AMLAND DEVELOPMENT, INC.
7140 Dean Martin Drive, Suite 1200
Las Vegas, Nevada 89118

SENT BY FIRST CLASS MAIL; and
SENT BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED: 7010 1870 0000 4136 0488

Re: Our client: Kevin J. Mohan
Property Address: 163 Woolman Rink Avenue, Las Vegas, Nevada 89123

NEVADA REVISED STATUTES, CHAPTER 40 NOTICE (NRS 40.645) OF CONSTRUCTIONAL DEFICIENCIES IN CONCRETE, MASONRY, WOOD/PLASTICS/COMPOSITES, THERMAL MOISTURE PROTECTION, OPENINGS, FINISHES, PLUMBING, HVAC, AND ELECTRICAL SYSTEMS IN THE ABOVE-MENTIONED RESIDENCE WITH RESULTING DAMAGE.

NRS 40.680 DEMAND FOR PRE-LITIGATION MEDIATION

(IMMEDIATE ATTENTION REQUIRED)

Dear Amland Development, Inc.:

This Notice is being given to satisfy the requirements of NRS 40.600, et seq., including, specifically, NRS 40.645.

This office has been retained to represent Mr. Mohan concerning constructional defects and related damages of his residence constructed by Amland Development, Inc., and its subcontractors.

In order to assist in your evaluation of these Chapter 40 claims, and pursuant to NRS 40.645(2), et seq., please find attached a disc containing the Chapter 40 Defect Listing for the Mohan Residence at 163 Woolman Rink Avenue, Las Vegas, Nevada 89123, dated August 22, 2011, by Pacific Adjusting & Consultants, Inc., concerning the constructional defects and related damage present in the aforesaid residence. The CD-ROM contains 978 pages outlining the defects and damages suffered by the Mohan residence. Indeed, you will find the Defect Listing appropriately detailed, including copious references to building code and standard of care violations in the construction of Mr. Mohan's home, and photographs of each defect. In addition, we have included with each defect the conceptual method of repair.

This expert report is meant to satisfy Chapter 40 requirements by placing Amland Development, Inc., on notice of these defects and resulting damages in the Mohan residence.

400 N. Stephanie Street, Suite 260, Henderson, Nevada 89014
Telephone: (702) 642-4200 Fax: (702) 642-4300 Email: balmerlaw@msn.com

Non-invasive inspections of this residence have demonstrated and documented constructional defects and resulting damage in said residence in the following building systems, as specifically set forth in the Pacific Adjusting & Consultants, Inc., Chapter 40 Defect Listing for Mr. Mohan's home: *concrete systems, masonry systems, wood/plastics/composites systems, thermal moisture protection systems, openings systems, finishes systems, plumbing systems, HVAC systems, and electrical systems.* The causes of the constructional defects and resulting damages set forth herein and in the attached expert report include: (1) applicable building code violations, (2) standard of care violations, (3) violations of approved plans, and/or (4) utilization of substandard and/or defective building materials.

Please direct all future inquiries and correspondence to my attention. If you have not already done so, please place any involved subcontractors and tradesmen on immediate notice of these claims. Please urge their involvement in the Chapter 40 process as soon as possible. Also, please provide me with your subcontractor matrices for the construction of the aforementioned residence and also inform me of each respective subcontractor's insurance carrier(s), so that we may also put them on immediate notice of these claims.

Please ensure that your response to this Chapter 40 notice is proper and complies with all time limitations and deadlines set forth in NRS 40.600, et seq., including, without limitation, NRS 40.646, 40.647, 40.6472, and 40.648. Please timely advise as to whether you or any subcontractors wish to perform any inspections of the residence. We will work with you to ensure that you have appropriate access to the residence.

Pursuant to NRS 40.680, my client demands the mandated pre-litigation mediation proceedings. We nominate Floyd Hale, Esq., or Howard Hamman, Esq., as potential mediators. My client is prepared to deposit $50 toward the mediation, as required by statute. Pursuant to NRS 40.680(2), you have 20 days within which to notify us of your approval of either Mr. Hale or Mr. Hamman as the mediator or to supply us with alternative names. We look forward to hearing from you.

PURSUANT TO NEVADA REVISED STATUTE 40.695(1), THIS NOTICE TOLLS ANY STATUTES OF LIMITATIONS AND REPOSE APPLICABLE TO THESE HOMEOWNERS' CLAIMS UNTIL 30 DAYS AFTER MEDIATION IS CONCLUDED OR WAIVED IN WRITING PURSUANT TO NRS 40.680.

Please immediately acknowledge receipt of this Chapter 40 Notice in writing.

Thank you for your anticipated cooperation. I look forward to working with you to amicably resolve this claim.

Yours Truly,
JUDD J. BALMER, ESQ., LTD.
A Nevada Professional Corporation

JUDD J. BALMER, ESQ.
For the Firm

Exhibit 34

Exhibit 34

COOKSEY, TOOLEN, GAGE, DUFFY & WOOG
A Professional Corporation
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§ Licensed in California, Texas and Utah
◊ Licensed in Nevada and Illinois

jgoldman@cookseylaw.com

October 10, 2011

NOTICE OF CHAPTER 40 CONSTRUCTION DEFECTS PURSUANT TO NRS 40.646 AND TENDER OF DEFENSE AND INDEMNITY

CERTIFIED MAIL,
RETURN RECEIPT REQUESTED # 7011 0470 0002 9785 9671

Cedco, Inc.
6720 W. Serene Avenue
Las Vegas, NV 89139

Re: Mohan, Kevin v. Central Park, LLC, et al.
Project : Central Park Estates
Our File No. : 450.0121
Our Clients : Central Park, LLC, Amland Development, Inc., Amland Development, LLC & U.S. West Development, Inc.

Dear Sir or Madam:

This office represents Central Park, LLC, Amland Development, Inc., Amland Development, LLC & U.S. West Development, Inc. (collectively "Amland") in the above-referenced matter (the "Action"). Amland was the general contractor and developer of the home owned by Claimant Kevin Mohan, located at 163 Woolman Rink Ave., Las Vegas, NV 89123 (the "Subject Property"). On or about September 13, 2011, Amland received a Chapter 40 Notice of Constructional Defect (the "Notice") from Claimant's attorney alleging numerous deficiencies with the Claimant's home.

Pursuant to NRS § 40.646, the Notice being provided to Cedco, Inc. (hereinafter "Cedco") because the defects alleged in the Notice implicate Cedco's scope of work at the Subject Property. The Notice is enclosed for your reference. Inspection of the Subject Property has not yet been determined, but we are seeking dates from the Claimant's attorney for inspections and will notify you once the date is finalized.

You should contact an attorney immediately, if you have not already done so, regarding your legal rights and responsibilities under Nevada law. We also strongly recommend that you put your insurance carrier on notice of this claim to avoid any prejudice and potential denial of coverage, but this issue should be discussed with your attorney before taking any action.

Re: Mohan, Kevin v. Central Park, LLC
October 10, 2011
Page 2

TENDER OF DEFENSE AND INDEMNITY

Amland and Cedco entered into one or more written subcontract agreement(s) in connection with the construction of the Subject Property. Pursuant to the subcontract agreement(s), Cedco agreed to indemnify and hold harmless Amland from all liability, and to obtain endorsements to its policies of liability insurance naming Amland as an additional insured. The contract states:

> To the fullest extent permitted by law, Subcontractor agrees to hold harmless and indemnify Contractor ... from and against any and all claims, damages, losses, liabilities, and expenses, including without limitation, all attorney's fees, arising from or in connection with Subcontractor's performance or non-performance under this Subcontract. Subcontractor further agrees to obtain prior to commencing work, and to maintain at its sole cost during the progress of its performance hereunder, such insurance policies as may be required by Contractor ... naming ... Amland Development as Additional Insured.

In light of Claimant's allegations, Cedco's defense and indemnity obligations under the language referenced above are triggered. Accordingly, **Amland hereby tenders its defense and indemnity to Cedco and its applicable insurance carriers** pursuant to the defense and indemnity provisions referenced above. Please confirm that you will participate in the defense of Amland in this matter.

Please forward this tender to your insurance carriers and confirm that you will participate in the defense of Amland in this matter. Pursuant to the insurance provisions referenced above, your carrier(s) should consider this letter an additional insured tender by Amland under all applicable insurance policies and endorsements.

Please be advised that you have thirty (30) days from receipt of this letter to provide a written response to the Chapter 40 Notice pursuant to NRS 40.646(3). You should contact an attorney immediately, if you have not already done so, regarding your legal rights and responsibilities under Nevada law. Should you have any questions, please do not hesitate to contact the undersigned. Thank you for your courtesy and cooperation in this matter.

If you need any additional information in formulating your response to this notice and tender, please do not hesitate to contact the undersigned. Thank you for your courtesy and cooperation.

Sincerely,

Joseph G. Goldman

JGG/asw

Enclosures: CD-ROM containing Chapter 40 Notice & PAC, Inc. Report

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ISIC 987

Exhibit 35

Exhibit 35

ORIGINAL

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CLERK OF THE COURT

CHECK # 8310
$520.00
T.J.

PURSIANO BARRY LAVELLE BRUCE HASSIN, LLP
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COMP
DAVID T. PURSIANO, ESQ.
Nevada State Bar No. 005464
LAUREL L. BARRY, ESQ.
Nevada State Bar No.
JAMES V. LAVELLE III, ESQ.
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Attorneys for Plaintiffs

DISTRICT COURT

CLARK COUNTY, NEVADA

SEVEN HILLS MASTER COMMUNITY ASSOCIATION, A NEVADA NON-PROFIT CORPORATION, Plaintiff, v. GRANITE SILVER DEVELOPMENT PARTNERS, LIMITED PARTNERSHIP, a foreign limited partnership; FC-SILVER CANYON, INC., a foreign corporation; AMERICAN NEVADA SEVEN HILLS LIMITED PARTNERSHIP, a Nevada limited partnership; SS SEVEN HILLS, INC., a Nevada corporation; SILVER CANYON CORPORATION, a Nevada corporation; AMERICAN NEVADA COMPANY, LLC, a Nevada Limited Liability Company; and DOES 1 through 100, inclusive, Defendants.	**Case No.** A-11-639041-D **Dept.** XXII ARBITRATION EXEMPTIONS CLAIMED **COMPLAINT** 1. Breach of Implied Warranties 2. Strict Liability 3. Negligence 4. Breach of Express Warranties 5. Declaratory Relief

COMES NOW, Plaintiff SEVEN HILLS MASTER COMMUNITY ASSOCIATION, by and through their attorneys, David T. Pursiano, Esq., Laurel L. Barry, Esq. and James V. Lavelle III,Esq., of Pursiano Barry Lavelle Bruce Hassin, LLP, complains of and allege as causes of action against the Defendants and each of them as follows:

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I.

GENERAL ALLEGATIONS COMMON TO ALL CAUSES OF ACTION

1. The Plaintiff, SEVEN HILLS MASTER COMMUNITY ASSOCIATION, ("Plaintiff") is a non-profit corporation duly formed under the laws of the state of Nevada, composed of residential units and common area commonly known as "Seven Hills", located in the City of Henderson, Clark County, Nevada, which was formed and exists for the purpose of providing maintenance and preservation of the structures, Lots and Common Area and the ownership and maintenance of the Common Area in the Seven Hills community as defined, on information and belief, in that certain Tract Declaration of Covenants, Conditions and Restrictions recorded with the Official Records of Clark County, Nevada. For convenience, the real property, including the improvements thereon and Common Area, constituting the Seven Hills development will be referred to herein as the "Subject Property".

2. The Association was created by virtue of Articles of Incorporation and Bylaws, which Articles were adopted pursuant to the laws of the State of Nevada and which Bylaws were properly adopted at a meeting of the Board of Directors; by virtue of the foregoing, the Association has been, and now is, a duly formed and existing corporation under of the laws of the State of Nevada. The principal place of business of the Association is within Clark County, Nevada.

3. The Association, in accordance with its Articles of Incorporation, Bylaws and Declaration of Covenants, Conditions and Restrictions and pursuant to Nevada Revised Statutes, Chapter 116 of the "Common Interest Ownership Act", has the sole and exclusive right and duty to manage, operate, control, repair, replace and restore the common areas and other property located within the Seven Hills community, including the right to let contracts to accomplish its duties and obligations, and has all of the powers necessary to carry out its rights and obligations, including the right, duty and power to contract for legal services to prosecute any action affecting the common area, when such action is deemed necessary by it, to enforce its powers, rights and obligations, including the bringing of this

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action. Pursuant to Nevada law and consistent with the Covenants, Conditions and Restrictions applicable to the Association, the Association seeks recovery for damages to portions of the common area, specifically, the Association and Sub-Association entry monuments and adjacent landscape, irrigation and irrigation metering and the street light poles throughout the Seven Hills community including the electrical components connected to the light poles.

4. The Plaintiff is informed and believes and on that basis alleges the Defendant GRANITE SILVER DEVELOPMENT PARTNERS, LIMITED PARTNERSHIP, is, and at all relevant times, has been, a foreign limited partnership, authorized to do business in Clark County, Nevada, including but not limited to development, construction, improvement, and/or sale of the Subject Property.

5. The Plaintiff is informed and believes and on that basis alleges the Defendant FC-SILVER CANYON INC., is, and at all relevant times, has been, a foreign corporation duly organized and existing under the laws of some state and authorized to do business, and doing business in Clark County, Nevada, including but not limited to development, construction, improvement, and/or sale of the Subject Property.

6. The Plaintiff is informed and believes and on that basis alleges the Defendant AMERICAN NEVADA SEVEN HILLS LIMITED PARTNERSHIP, is, and at all relevant times, has been, a limited partnership duly organized and existing under the laws of Nevada and authorized to do business, and doing business in Clark County, Nevada, including but not limited to development, construction, improvement, and/or sale of the Subject Property.

7. The Plaintiff is informed and believes and on that basis alleges the Defendant SS SEVEN HILLS, INC., is, and at all relevant times, has been, a corporation duly organized and existing under the laws of Nevada and authorized to do business, and doing business in Clark County, Nevada, including but not limited to development, construction, improvement, and/or sale of the Subject Property.

8. The Plaintiff is informed and believes and on that basis alleges the Defendant SILVER CANYON CORPORATION, is, and at all relevant times, has been, a corporation

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duly organized and existing under the laws of Nevada and authorized to do business, and doing business in Clark County, Nevada, including but not limited to development, construction, improvement, and/or sale of the Subject Property.

9. The Plaintiff is informed and believes and on that basis alleges the Defendant AMERICAN NEVADA COMPANY, LLC, is, and at all relevant times, has been, a limited liability company duly organized and existing under the laws of Nevada and authorized to do business, and doing business in Clark County, Nevada, including but not limited to development, construction, improvement, and/or sale of the Subject Property.

10. The Defendants sued herein as DOES 1 through 100, inclusive, are fictitious names of individual Defendants whose true names and capacities, whether individual, corporate, associate or otherwise at this time, are unknown to the Plaintiff; the Plaintiff is informed and believes and on that basis alleges that at all relevant times each of the Defendants sued herein as DOES 1 through 100, inclusive, was acting as the agent, servant and/or employee of his or her co-Defendants, and in doing the things hereinafter mentioned was acting in the scope of his or her authority as such agent, servant and employee, and with the permission and consent of his or her co-Defendants; and that each of said fictitiously named Defendants, whether an agent or otherwise, participated in some manner as a builder, developer, contractor, subcontractor, materialman or supplier of goods or otherwise in the works of building and construction of the Subject Property, and is in some way liable or responsible to the Plaintiff on the facts hereinafter alleged, and caused injuries and damages proximately thereby. At such time as the Defendants' true names and capacities become known to the Plaintiff, the Plaintiff will ask leave of this court to amend this complaint to insert said true names and capacities.

11. The Defendants sued herein as DOES 1 through 100, inclusive, are fictitious names of individual Defendants whose true names and capacities, whether individual, corporate, associate or otherwise at this time, are unknown to the Plaintiff who, therefore, sue said Defendants by such fictitious names. Plaintiff is informed and believes and thereupon alleges that each of the Defendants designated herein as a Doe is responsible

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in some manner for the events and happenings herein referred to, and in some manner caused the injuries and damages proximately thereby to the Plaintiff as herein alleged. Plaintiff will ask leave of this Court to amend this Complaint to insert the true names and capacities of the Doe Defendants when the same have been ascertained by Plaintiff, together with the appropriate charging allegations, and to join such Defendants in this action.

12. The Plaintiff is informed and believes and on that basis alleges that at all relevant times the Defendants, including DOES, and each of them, were business entities and/or organizations who conducted business in the Clark County, Nevada and/or participated in the development, construction and/or sale of the Subject Property.

13. Commencing at a date unknown to the Plaintiff, the Defendants, including DOES, and each of them, participated in the manner set forth herein as to each, in the construction of works of improvement at the Subject Property, all of which are now owned by the Association as to the common area or which property is subject to the maintenance and preservation by the Plaintiff.

14. The Plaintiff is informed and believes and on that basis alleges the Defendants, and each of them, were and are builders, engineers, contractors, subcontractors, suppliers, materialmen, or other persons, entities or professionals who participated in the construction, supervision, manufacture, and/or improvement of the Subject Property, and who performed works of labor, supplied materials, equipment and/or services necessary for the preparation, construction, supervision, manufacture and/or improvement of the Subject Property, with knowledge the Subject Property would be utilized as a residential community. In so doing, said Defendants, in their capacities as builders, engineers, contractors, subcontractors, suppliers, materialmen, or otherwise, caused the Subject Property, in particular the Association and Sub-Association entry monuments and the adjacent landscape, irrigation and irrigation metering and the community wide street light poles including the electrical components, to be prepared, constructed, supervised, manufactured and/or improved through their own works of labor, their supplying of

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materials, equipment and/or services, and through their causing other contractors and subcontractors, including other Defendants herein, to perform works of labor, to supply materials, equipment and/or services, in order to properly complete the construction of the Subject Property, so the same could be sold to and/or used by members of the public.

15. After work at the project was completed, the Plaintiff became informed and believes and on that basis alleges the Subject Property, in particular the Association and Sub-Association entry monuments and the adjacent landscape, irrigation and irrigation metering and the community wide street light poles including the electrical components, are not of merchantable quality but, in fact, are defective and fail to meet all applicable building codes and industry standards, resulting in damage thereto. The damages known to the Plaintiff at this time are progressive and continue to worsen.

16. The Plaintiff is informed and believes and on that basis alleges the Subject Property may be defective in ways and to extent not precisely known, but which will be inserted here and by way of amendment or will be established at the time of trial according to proof.

17. Plaintiff has complied with all pre-filing requirements of Nevada Revised Statutes Section 40.600 through 40.695, Nevada Revised Statutes Chapter 116 and the Association's governing documents.

18. Plaintiff is informed and believes and on that basis alleges that the items generally referred to and particularly described herein were "known deficiencies" within the meaning of Nevada Revised Statutes Section 11.203 in that the above-described defects arose out of, were attributable to and are directly and proximately caused by the above-described deficiencies in the design, specifications, planning, supervision, observation of construction, construction, development and/or improvement of the Subject Property, and that prior to that time when it was discovered by Plaintiff as set forth herein could not have been discovered by the exercise of reasonable diligence. Plaintiff, at all times herein mentioned, relied on the skill of Defendants and DOES 1 through 100, inclusive, in developing and constructing the Subject Property to be reasonably fit for the intended

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purpose.

19. As a result acts and omissions of the Defendants, the Plaintiff has been forced to hire counsel to prosecute this action, incurring attorneys fees and costs.

II.

FIRST CAUSE OF ACTION

(Breach of Implied Warranties Against All Defendants)

20. The Plaintiff refers to and incorporates by reference paragraphs 1 through 19 as though fully set forth at this point.

21. The Plaintiff is informed and believes and on that basis alleges that as contractors the Defendants, including DOES, and each of them, knew the Subject Property would be used by members of the public for residential purposes and said Defendants knew, or reasonably should have known, the persons would do so without inspection for the defects set forth herein.

22. The Plaintiff is informed and believes and on that basis alleges the Defendants, including DOES, and each of them, at all times herein mentioned, were and are merchants with respect to the works of improvement at the common area thereof and said Defendants impliedly warranted these works of improvement were of merchantable quality, were constructed in a reasonably workmanlike manner and fit for their intended purpose.

23. The Plaintiff is informed and believes and on that basis alleges the Subject Property, in particular the Association and Sub-Association entry monuments and the adjacent landscape, irrigation and irrigation metering and the community wide street light poles including the electrical components, were and are not of merchantable quality nor fit their intended purpose but are defective, and other components and sources not yet identified or ascertained are not performing in the manner intended. The works of improvement at the Subject Property are not of merchantable quality, but, in fact, are defective and have resulted in damages as stated and alleged herein.

24. The Plaintiff is informed and believes and on that basis alleges the Subject Property is not of merchantable quality, but instead, is defective in that it demonstrates

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improper, nonexistent and/or inadequate design and/or construction of the Association and Sub-Association entry monuments and the adjacent landscape, irrigation and irrigation metering and the community wide street light poles including their electrical components. These defective conditions have resulted in damaged and defective real property. The Plaintiff is informed and believes and on that basis alleges the Subject Property may be additionally defective in ways and to the extent not precisely known, but which will be inserted herein by way of amendment or will be established at the time of trial, according to proof.

25. The Association has properly notified the Defendants of the defective conditions as alleged herein and, notwithstanding such notice, the Defendants have failed to cause the appropriate restoration and/or repair to be made at their cost and expense.

26. The Plaintiff is informed and believes and on that basis alleges the above-described defects arose out of, were attributable to, and are directly and proximately caused by the above-described deficiency in the design, specification, planning, supervision, observation of construction, construction, development and/or improvement of the Subject Property, and prior to the time they were discovered by the Plaintiff as set forth herein, could not have been discovered by the exercise of reasonable diligence.

27. The Plaintiff is informed and believes and on that basis alleges that as a direct and proximate result of the defects set forth herein and the breach of the aforesaid implied warranties by the Defendants, and each of them, the Plaintiff has suffered damages in an amount precisely unknown, but believed to be in excess of this court's jurisdiction in that it has been, and will hereafter be, required to perform works of repair, restoration and construction to defective portions of the Subject Property to prevent further damage and to restore those portions of the Subject Property to their proper condition. Further, the Plaintiff has and will incur expert fees and costs to investigate the defective conditions to determine the nature, extent and cause of the defects as well as the reasonable and appropriate repairs. The Plaintiff will establish the precise amount of such damages at trial, according to proof.