

SETTLEMENT AGREEMENT

RECITALS

This Settlement Agreement is made and entered into between the U.S. Department of Housing and Urban Development (“HUD” or “Department”) and Pulte Homes, Inc. (“Pulte”), located at 100 Bloomfield Hills Parkway, Suite 300, Bloomfield Hills, MI 48304-2950 and Marquette Title Insurance Company (“Marquette Title”), located at 199 Main Street, P.O. Box 190, Burlington, VT 05402-0190. HUD, Pulte and Marquette Title shall be referred to herein as the “Parties.”

WHEREAS, the Secretary of Housing and Urban Development is authorized to enforce the Real Estate Settlement Procedures Act of 1974 (“RESPA” or “the Act”), 12 U.S.C. § 2601 *et seq.*, and its implementing regulations, 24 C.F.R. § 3500 *et seq.*; and

WHEREAS, the Secretary is authorized by Section 19 of RESPA to investigate any facts, conditions, practices, or matters deemed necessary to determine whether any person, as defined in Section 3(5) of the Act, has violated or is about to violate any provision of the Act or any rule or regulation prescribed pursuant thereto; and

WHEREAS, Section 8(a) of RESPA, 12 U.S.C. § 2607(a), and the implementing regulations at 24 C.F.R. § 3500.14, prohibit the giving or accepting of any fee, kickback or thing of value pursuant to an agreement or understanding, oral or otherwise, that business incident to or part of a real estate settlement service involving a federally related mortgage loan shall be referred to any person; and

WHEREAS, Pulte and its affiliates and subsidiaries identified in Exhibit A build

homes in various states and have referred home buyers to certain companies for title insurance; and

WHEREAS, on or about June 8, 1998, Pulte created Marquette Title, a captive title reinsurance company to reinsure certain title insurance business from title insurance companies; and

WHEREAS, HUD initiated an investigation to determine if Marquette Title's reinsurance arrangements constituted a violation of Section 8(a) of RESPA; and

WHEREAS, it is the position of Pulte and Marquette Title that title reinsurance is not a "settlement service" as that term is defined by RESPA or its regulations, and, therefore, reinsurance activities are not subject to the Act. Moreover, the separate captive reinsurance agreements that Marquette Title entered into with multiple different title insurance carriers each provided for a quota share title reinsurance arrangement that was created in good faith reliance on HUD's regulations, guidelines, and interpretations, including the Department's 1997 and 2004 Letters regarding reinsurance ("HUD Letters"). Pulte and Marquette Title believed that participation in these arrangements was and is in compliance with applicable law (including, but not limited to RESPA and the HUD Letters). Pulte and its customers historically did business with a range of title insurance companies before and after the participation of Marquette Title in reinsurance arrangements. It is the position of Pulte and Marquette Title that there is no evidence that title reinsurance agreements impacted or caused referrals of title insurance. Furthermore, Pulte customers were notified in writing: of the reinsurance arrangement between Marquette Title and the title insurance companies; that Marquette Title was an affiliate of

Pulte; that Pulte would benefit from such an arrangement; and, told that their participation was strictly voluntary. The insurance fees paid by Pulte customers were in many instances regulated and set by State law and in all instances the same regardless of whether the customer's policy was reinsured by Marquette Title or not. In most instances Pulte actually paid for title insurance on behalf of its customers. Finally, based upon independent professional economic analysis commissioned by Pulte, Pulte believes that the amount of premiums paid to Marquette Title were clearly justified based on the risk associated with the reinsurance program and the possibility that a title insurance claim, if one had to be paid, would be significant; and

WHEREAS, Pulte represents that title reinsurance was only done in Arizona, California, Colorado, Delaware, Nevada, New Jersey, New York, Tennessee, and Virginia and that no new title reinsurance business was written after February 2005, notwithstanding Pulte's view that the arrangements complied with applicable law; and

WHEREAS, it is HUD's position that it is a violation of Section 8(a) of RESPA to accept a thing of value in the form of an opportunity to participate in money-making captive title reinsurance arrangements in return for the referral of settlement service business to primary title insurance companies. Further, it is HUD's position that any captive title reinsurance arrangement in which payments to the reinsurer are not bona fide and exceed the value of the reinsurance would violate Section 8 of RESPA. Moreover, in HUD's view, there is almost never any bona fide need or business purpose for title reinsurance on a single family residence, especially from an entity or an affiliate of an entity that is in a position to refer business to the primary title insurer. Further, when

there is a history of little or no claims paid or the premium payments to the captive reinsurer far exceed the risk borne by the reinsurer, there is strong evidence there is a sham arrangement constructed for the purpose of payment of referral fees or other things of value in violation of Section 8 of RESPA; and

WHEREAS, HUD has made no finding of violations of RESPA by Pulte or Marquette Title; and

WHEREAS, Pulte and Marquette Title have cooperated with HUD; and

WHEREAS, recognizing that Pulte and Marquette Title are not admitting liability or wrongdoing, the Parties desire to avoid prolonged proceedings, any further expense of investigation and/or possible litigation, and to finally resolve this matter under the terms and conditions set forth below; and

WHEREAS, the terms of this Settlement Agreement are an appropriate disposition of this case and are in the public interest;

NOW, THEREFORE, in consideration of the mutually negotiated promises, covenants, and obligations in this Settlement Agreement, the Parties reach a final settlement as set forth below:

AGREEMENTS

1. This Settlement Agreement is effective on the date of signature of the last signatory to the Settlement Agreement (hereinafter the "Effective Date").
2. Based on Pulte's and Marquette Title's compliance with this Settlement Agreement, the Department: (a) will terminate its investigation of Pulte and Marquette Title, and their respective affiliates and subsidiaries as listed on

Exhibit A hereto (collectively, the “Released Entities”); (b) hereby waives, releases, remits and compromises any and all claims, causes, and actions, direct or indirect (together, “Claims”) against any of the Released Entities, and their respective past and present shareholders, partners, directors, officers, principals, employees, attorneys and representatives (collectively and individually the “Released Parties”) with respect to captive title reinsurance business described herein, or any matter about which the Department received information during its investigation, unless such practices recur; and (c) agrees to take no enforcement action under RESPA and its implementing regulations against any of the Released Parties with respect to captive title reinsurance business described herein, or any matter about which the Department received information during its investigation. If any of the Released Parties engage in captive title reinsurance arrangements, after the effective date of this Settlement Agreement, and the Department deems the arrangements to be in violation of RESPA, the Department retains the right to pursue Claims and/or enforcement actions under RESPA against any of the Released Parties with respect to such future captive arrangements and any Claims still covered by the statute of limitations.

3. Pulte and Marquette Title agree to fully comply with all provisions of RESPA and its implementing regulations.
4. Pulte and Marquette Title and their parents and subsidiaries, and their respective directors, officers, shareholders, principals, employees, and representatives (in such individuals’ official capacities as directors, officers,

principals, employees or representatives) will not enter into any new captive title reinsurance arrangements and will cease writing new captive title reinsurance business, unless HUD has reviewed and approved such arrangements or business. Nothing in this Settlement Agreement shall be construed as prohibiting conduct permitted by any future amendments to or repeal of RESPA, or new statutory or regulatory provisions, or HUD policy statements interpreting and applying Section 8 of RESPA.

5. Within thirty (30) business days of the Effective Date, Pulte will make a settlement payment of Four Hundred and Sixty-Six Thousand Dollars (\$466,000.00) payable to the United States Treasury, and delivered to counsel for HUD at an address to be specified by HUD; provided, however, such payment shall not be considered for any purposes to be a civil money penalty or fine.
6. Nothing in this Settlement Agreement shall be construed as preventing Pulte or Marquette Title from unwinding its captive title reinsurance arrangements, including without limitation through the ceding of risk and/or premium to one or more third parties under terms and conditions that differ from the terms and conditions under which such risk and/or premium was obtained. HUD will not consider such unwinding undertaken in conjunction with or following this Settlement Agreement to be in violation of RESPA or the implementing regulations, provided that the unwinding does not involve an agreement or understanding for the referral of future settlement service business.
7. This Settlement Agreement applies to and binds Pulte, Marquette Title, their

subsidiaries and their respective predecessors, successors, parents, subsidiaries and assigns, and their respective directors, officers, principals, employees, and representatives (in such individuals' official capacities as directors, officers, principals, employees or representatives of Pulte and Marquette Title).

8. Pulte and Marquette Title hereby waive, release, remit and compromise any and all Claims against the Department, or any of its employees, agents, or representatives, with respect to HUD's investigation of this matter or this Settlement Agreement.
9. Should Pulte or Marquette Title fail to comply with the terms set out above, or should any of its representations prove to be false or incomplete in any material manner, HUD may take appropriate enforcement action, and/or refer the matter to other governmental authorities for further action.
10. This Settlement Agreement constitutes the complete agreement between the Parties as to the matters addressed herein. This Settlement Agreement may not be amended except by written consent of the Parties.
11. By this Settlement Agreement the Parties do not waive, release, remit or compromise any Claims against any other person not expressly released by this Settlement Agreement.
12. The Parties represent that this Settlement Agreement is freely and voluntarily entered into without any degree of duress or compulsion whatsoever.
13. Nothing in this Settlement Agreement shall be construed as an admission of wrongdoing, liability, or legal fault for any conduct underlying this Settlement Agreement, or an admission that any person acted wrongfully.

14. Each person who signs this Settlement Agreement in a representative capacity warrants that his or her execution of this Settlement Agreement is duly authorized, executed, and delivered by and for the entity for which he or she signs.
15. Each of the Parties to this Settlement Agreement shall bear its own attorney's fees and costs, including the preparation and performance of this Settlement Agreement.
16. This Settlement Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute the same agreement.

On Behalf of Pulte Homes, Inc.

Bruce E. Robinson

5/3/07

Signature

Date

Bruce E. Robinson

Print Name

VP - TREASURER

Title

On Behalf of Marquette Title Insurance Company

Vincent J. Frees

5/4/07

Signature

Date

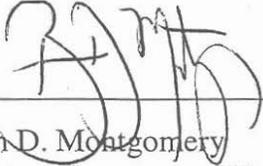
VINCENT J. FREES

Print Name

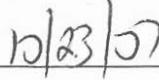
Vice President

Title

**On Behalf of the U.S. Department of Housing and Urban Development
in settlement with Pulte Homes, Inc. and Marquette Title Insurance Company**



Brian D. Montgomery
Assistant Secretary of Housing—Federal
Housing Commissioner



Date

Exhibit A

The following are “Released Entities” as defined in this Settlement Agreement:

Anthem Arizona L.L.C.
CP Sunridge, LLC
Del Webb California Corp.
Del Webb Communities, Inc.
Del Webb Communities of Virginia, Inc.
Del Webb Home Construction, Inc.
Del Webb's Coventry Homes Construction Co.
Del Webb's Coventry Homes, Inc.
Grand Place Hayward, LLC
Kyle Acquisition Group, LLC
LPC One Development Partners, LLC
Marquette Title Insurance Company
North Valley Enterprises, LLC
PC/BRE Development L.L.C.
PC/BRE Springfield L.L.C.
PC/BRE Venture L.L.C.
PC/BRE Whitney Oaks L.L.C.
PC/BRE Winfield L.L.C.
PL Roseville, LLC
PN II, Inc.
Potomac Yard Development LLC
Pulte/BP Murrieta Hills, LLC
Pulte Communities NJ, Limited Partnership
Pulte Development Corporation
Pulte Home Corporation
Pulte Homes, Inc.
Pulte Homes of New York LLC
Pulte Homes of NJ, Limited Partnership
Pulte Homes Tennessee Limited Partnership
Pulte Urban Renewal, LLC
Radnor Homes, Inc.
Rancho Diamante Investments, LLC
Spa L Builders LLC
Stetson Venture II, LLC
Terravita Home Construction Co.