

Superior Court, State of California, County of Contra Costa
July 18, 2005

If You Own or Owned a Home or Other Building on Which A Cal-Shake Roof Is or Was Installed.

Please Read This Legal Notice Carefully, Your Legal Rights May Be Affected Whether You Act
Or Don't Act.

- There is a proposed settlement of litigation concerning cement composite roofing shakes known as "Cal-Shake" shakes. The proposed settlement affects a "class" or group of people that may include you.
- The proposed settlement involves members of the "New Cal-Shake Settlement Class," which includes **all owners of residential and commercial property in the United States on which Cal-Shake shakes manufactured by Cal-Shake, Inc. between February 1, 1986 and March 31, 1995 are, or have been, installed. The class includes property owners who have replaced their Cal-Shake shakes.**
- **If you are a member of the New Cal-Shake Settlement Class, this notice concerns a proposed settlement of claims of this subclass and affects your rights.**

The legal rights and options of members of the New Cal-Shake Settlement Class are explained below. **Please note that New Cal-Shake Settlement Class members outside of California have different rights and options than New Cal-Shake Settlement Class members inside California. You should read this notice carefully and make sure that you understand the rights and options available to you.**

- **If you own or owned a home or other building on which a Cal-Shake roof whose shakes were manufactured by Shake Company of California, Inc. ("Old Cal-Shake") between January 25, 1980 and January 31, 1986, this notice does not pertain to you or affect your rights in any way, and you need not take any further action at this time.** The class continues to pursue litigation against Old Cal-Shake. Information concerning the continuing litigation against Old Cal-Shake will be available from the Web site or the toll-free number appearing at the bottom of this page. Additional notice will be provided when the claims against Old Cal-Shake are resolved by litigation or settlement.

If you have questions about this notice, please visit: www.calshakeclassaction.com or call 1-866-844-0600.

IF YOU ARE A NEW CAL-SHAKE SETTLEMENT CLASS MEMBER AND THE PROPERTY WHICH HAS OR HAD A CAL-SHAKE ROOF IS IN CALIFORNIA:

YOUR LEGAL RIGHTS AND OPTIONS		DUE DATE
DO NOTHING	If the Court approves the proposed settlement, you will be given the opportunity to submit a claim form to get a payment from the Settlement Fund.	
OBJECT TO THE PROPOSED SETTLEMENT	You can write to the Court to explain why you don't like the proposed settlement. For important details on how to object properly, please see paragraph 17.	October 28, 2005
GO TO THE FAIRNESS HEARING	If you file a timely objection to the proposed settlement, you may speak at the Hearing when the Court considers the fairness of the proposed settlement. See paragraph 18 of this notice.	November 14, 2005

IF YOU ARE A NEW CAL-SHAKE SETTLEMENT CLASS MEMBER AND THE PROPERTY WHICH HAS OR HAD A CAL-SHAKE ROOF IS OUTSIDE CALIFORNIA:

YOUR LEGAL RIGHTS AND OPTIONS		DUE DATE
DO NOTHING	<p>If the Court approves the proposed settlement, you will become a class member. You will be given the opportunity to submit a claim form to get a payment from the Settlement Fund.</p> <p>If the Court does not approve the proposed settlement, there will be no class affecting people with property outside of California, and you will not give up any legal rights.</p>	
OBJECT TO THE PROPOSED SETTLEMENT	You can write to the Court to explain why you don't like the proposed settlement. For important details on how to object properly, please see paragraph 17.	October 28, 2005
REQUEST TO BE EXCLUDED	You can ask to exclude yourself from the class. You get no benefits from the proposed settlement, but you keep the right to file your own lawsuit. To exclude yourself, you must submit and sign a Request for Exclusion letter postmarked no later than October 28, 2005. For important details on how to exclude yourself from the class, please see paragraph 16.	October 28, 2005
GO TO THE FAIRNESS HEARING	If you file a timely objection to the proposed settlement, you may speak at the hearing on the fairness of the proposed settlement. See paragraph 18 of this notice.	November 14, 2005

WHAT IS THIS NOTICE ABOUT?

1. *Why has this notice been issued?*

Before the Court decides whether to give final approval to the proposed settlement, you have a right to know about:

- The proposed settlement of this class action, and
- All of your options.

This notice explains:

- The lawsuit,
- The proposed settlement, and
- Your legal rights.

2. *What is the lawsuit about?*

The people who brought the case are called “plaintiffs” and the companies they sued are called “defendants.” Plaintiffs claim that Cal-Shake shakes are defective and that the shakes cause damage for which class members should be paid. The defendants deny these allegations and any wrongdoing.

The Court in charge of the case is the Superior Court, State of California, County of Contra Costa. The case is known as *Shake Roof Cases*, Judicial Council Coordination Proceeding No. 4208.

3. *What is a class action?*

In a class action, one or more person(s), called the “class representative(s),” sue on behalf of a group of people who have similar claims and are known as the class members. A court then resolves the issues for all class members, except for those who have excluded themselves from the class.

THE BACKGROUND OF THE LITIGATION AND PROPOSED SETTLEMENT

4. *How did the litigation begin?*

The Plaintiffs filed this lawsuit in the Superior Court of Contra Costa County, California. The lawsuit involves the Defendants’ manufacture and sale of roofing shakes that are composed of Portland cement and perlite and marketed under the brand name “Cal-Shake.” Shake Company of California, Inc. (“Old Cal-Shake”) ceased manufacturing the Cal-Shake shakes on January 31, 1986. Cal-Shake, Inc. (“New Cal-Shake”) began manufacturing the Cal-Shake shakes on February 1, 1986 and ceased manufacturing the shakes by March 31, 1995.

On February 18, 2002, the Court entered an order certifying a litigation class of all California owners of buildings or homes with Cal-Shake roofs. The Court appointed Birka-White Law Offices, Farella Braun & Martel LLP, Berding & Weil, LLP, and Gilman & Pastor (“Class Counsel”). Contact information for Class Counsel is provided in Paragraph 17.

On July 18, 2005, the Court entered an order certifying the New Cal-Shake Settlement Class, which includes owners of all New Cal-Shake installations both inside and outside of California.

5. Why is there a Proposed Settlement?

New Cal-Shake is a dissolved corporation with minimal assets. The proposed settlement is funded entirely from insurance proceeds. Class Counsel agreed to compromise and settle the litigation with New Cal-Shake because the proposed settlement provides fair and reasonable compensation to the class members given the financial condition of the defendants and the amount of available insurance assets.

Both sides have agreed to a settlement to avoid the risks and costs of further litigation. This further litigation would have included a class trial, defending any verdict on appeal, suing the insurance carriers following the appeal to collect on the judgment, and a potential appeal of the insurance coverage litigation, a process which would have taken several years and presented a number of risks. The parties engaged in extensive arms-length settlement negotiations with the assistance of two retired judges, the Honorable Coleman F. Fannin and the Honorable Daniel J. Weinstein. At this time, the New Cal-Shake Settlement Class has reached a proposed settlement with New Cal-Shake totaling \$61.42 million. The proposed settlement obtains for the New Cal-Shake Settlement Class a substantial portion of the available insurance without the attendant delays, risks, and expenses of a trial, appeal and subsequent insurance coverage litigation against defendants' insurers to recover on the judgment.

6. How do I know if I am a member of the New Cal-Shake Settlement Class?

You are a New Cal-Shake Settlement Class member if you own or owned residential or commercial property on which Cal-Shake shakes manufactured **between February 1, 1986 and March 31, 1995** are, or have been, installed. The class includes property owners who have replaced their Cal-Shake shakes.

7. How Do I Identify New Cal-Shake's Roofing Product?

The Cal-Shake Shakes are a composite product made from Portland cement and perlite. Cal-Shake shakes bear the Cal-Shake trademark on the top half of each shake. To identify whether you have a New Cal-Shake roof, you may ask the roofer who installed your roof. You may also visit www.calshakeclassaction.com for pictures, or call 1-866-844-0600 for additional assistance in determining if you have Cal-Shake shakes manufactured by New Cal-Shake.

THE PROPOSED SETTLEMENT

8. What does the proposed New Cal-Shake Settlement provide?

This notice summarizes the key terms of the proposed settlement. You may obtain a full copy of the Settlement Agreement as explained in paragraph 20 below. Class Counsel believe that this proposed settlement is fair, adequate, reasonable, and in the best interest of the class. The Court has preliminarily approved the proposed settlement.

New Cal-Shake's insurers will pay a total of \$61.42 million into the Settlement Fund. Members of the New Cal-Shake Settlement Class will be entitled to make claims against the Settlement Fund.

9. How will the Court determine if I am entitled to be paid from the Settlement Fund?

On or before October 1, 2005, Class Counsel will submit to the Court a proposed plan of allocation of the Settlement Fund which will specify, among other things, the criteria which claimants must meet in order to receive payment from the Settlement Fund. Payments to members out of the Settlement Fund will ultimately be based on criteria set by the Court and might be affected by how many claims are received. The proposed allocation plan submitted to the Court will be available from the Web site or the toll-free number appearing at the bottom of this page.

The cost of class notice and claims administration will be paid out of the Settlement Fund. Class Counsel will propose to the Court that the two (2) New Cal-Shake class representatives be paid a stipend, not to exceed \$10,000 each, for undertaking the responsibilities of a class representative.

10. Am I giving anything up in the Settlement?

If the proposed settlement is approved, the members of the New Cal-Shake Settlement Class will release all claims, except personal injury claims, against New Cal-Shake and its insurers.

11. What happens if the Court does not approve the proposed Settlement?

If the proposed settlement is not approved at the Fairness Hearing, then the proposed settlement will be terminated and not proceed. All class members and parties will be restored to the position they were in before the Settlement Agreement was signed.

THE LAWYERS REPRESENTING YOU

12. Do I have a lawyer in this case?

Class Counsel represent the class in this litigation. You will not be charged for the services of these attorneys in litigating this case and negotiating this proposed settlement. Contact information for Class Counsel is provided in Paragraph 17, below.

13. How will the lawyers be paid?

At the hearing described below, Class Counsel will apply for an award of attorneys' fees of not more than 33% of the Settlement Fund, plus reimbursement of costs that were advanced in connection with the pursuit of the lawsuit and proposed settlement. Class members are not personally liable for any fees and costs.

To date, Class Counsel have not received any payment for their services in conducting the litigation on behalf of the class. Nor have Class Counsel been reimbursed for their costs in the litigation. The fee requested by Class Counsel would compensate them for their efforts in achieving settlement and for their risk in undertaking this representation on a contingent-fee basis. Class Counsel's fee application shall be submitted to the Court by October 1, 2005. At that time, the amount of the fee requested will be available from the Class Web Site and the toll-free number appearing at the bottom of this page. Other information regarding the fee application will be available from the class Web site or the toll-free number appearing at the bottom of this page. If approved by the Court, the fee requested would be within the range of fees awarded to plaintiffs' counsel under similar circumstances.

APPROVING THE PROPOSED SETTLEMENT

14. *When and where will the Court decide whether to approve the Proposed Settlement and attorneys' fees?*

A final approval hearing will be held at 1:30 p.m. on November 14, 2005, before the Honorable David B. Flinn, Judge of the Contra Costa County Superior Court, Department 6, A. F. Bray Building, 1020 Ward St., Martinez, California ("the Hearing"). At that time, the Court will determine (1) whether the proposed settlement consisting of \$61.42 million, plus accrued interest, is fair, just, reasonable, adequate, and in the best interest of the New Cal-Shake Settlement Class; and (2) whether and in what amount Class Counsel's request for attorneys' fees and costs should be paid from the Settlement Fund. The Court may adjourn or continue the Hearing without further notice to the New Cal-Shake Settlement Class.

MAKING A CLAIM

15. *How do I Make a Claim?*

If the proposed settlement is approved, members of the New Cal-Shake Settlement Class will have the opportunity to submit a claim form to participate in the proposed settlement. Claim forms will be available after final approval of the proposed settlement. You can obtain a claim form from the Web site or the toll-free number appearing at the bottom of this page.

EXCLUSION FROM THE PROPOSED SETTLEMENT

16. *How do I exclude myself from the Proposed Settlement?*

California Class Members: Members of the New Cal-Shake Settlement Class who own or owned property in California on which a Cal-Shake roof is or was installed were previously provided with the opportunity to exclude themselves from the class. They no longer have a right to exclude themselves from the class and will be bound by the terms of the proposed settlement if it is approved.

Non-California Class Members: Members of the New Cal-Shake Settlement Class who own or owned property outside of California on which a Cal-Shake roof is or was installed have the right to exclude themselves from the class. If you exclude yourself, you get no benefits from the proposed settlement, but you keep whatever rights you may have to pursue your own lawsuit. Because New Cal-Shake lacks significant assets other than their rights under their insurance policies and the insurers have contested coverage of claims against the defendants, if you pursue individual litigation of your claim you might also need to file a second lawsuit against the insurance companies for New Cal-Shake to collect on any judgment you obtain.

If you wish to be excluded from the New Cal-Shake Settlement Class, please fill out and return the attached Request for Exclusion postmarked no later than October 28, 2005.

OBJECTING TO THE PROPOSED SETTLEMENT

17. *How do I tell the Court if I don't like the Proposed Settlement?*

If you are a member of the New Cal-Shake Settlement Class, you can tell the Court you don't like the proposed settlement or some part of it. This is called objecting to the proposed settlement. (For example, you can say you don't think the proposed settlement is fair or adequate, or that you object to the amount of the attorneys' fees, costs or expenses.) The Court will consider your views but may approve the proposed settlement anyway.

- These rights and options — and the deadline for each — are explained in this notice.
- Although the Court has preliminarily approved the proposed settlement, the Court still has to decide whether to give final approval to the proposed settlement.

To object, you or your lawyer must send a letter that includes all of the following:

- The name and title of the lawsuit, *Shake Roof Cases*, Judicial Council Coordination Proceeding No. 4208;
- A statement of each objection you have and a summary of the basis for the objections;
- A description of any law or case supporting the objections;
- A statement of whether or not you or your lawyer will ask to appear at the Fairness Hearing to talk about your objections, and, if so, how long you will need to present your objections;
- Copies of any documents you or your lawyer will present at the Fairness Hearing.

Your objection letter and other materials must be filed with the Court by **October 28, 2005**. **The Court is located at: Contra Costa County Superior Court, Department 6, A. F. Bray Building, 1020 Ward St., Martinez, California 94553. You must serve a proof of service of your objection on the parties at the following addresses:**

Class Counsel (One of the following):

BIRKA-WHITE LAW OFFICES David M. Birka-White Esq. 744 Montgomery Street, 4th Fl. San Francisco, CA 94111-3339 Telephone: (415) 616-9999	FARELLA BRAUN + MARTEL LLP William R. Friedrich, Esq. John D. Green, Esq. 235 Montgomery Street San Francisco, CA 94104 Telephone: (415) 954-4400	BERDING & WEIL, LLP Daniel L. Rottinghaus, Esq. Jeffrey B. Cereghino, Esq. 3240 Stone Valley Road West Alamo, CA 94507 Telephone: (925) 838-2090	GILMAN & PASTOR 60 State Street 37th Floor Boston, MA 02109 Telephone: (617) 742-9700
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New Cal-Shake:

BINGHAM MCCUTCHEN Michael I. Begert, Esq. Three Embarcadero Center San Francisco, CA 94111 Telephone: (415) 393-2000
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Unless otherwise ordered by the Court, any member of the New Cal-Shake Settlement Class who does not make his or her objection or opposition in the manner provided shall be deemed to have waived all such objections.

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

No. Class Counsel will answer any questions the Court may have. However, you may come, at your own expense. If you sent a written objection, you do not have to come to Court to talk about it. As long as you properly and timely submitted your written objection, the Court will consider it. You may also pay your own lawyer to attend, but it is not necessary.

19. May I speak at the Fairness Hearing?

You will not be heard unless you have submitted your comments or objections as provided in paragraph 17. In addition, you must state in your submission that you wish to be heard.

GETTING MORE INFORMATION

20. How do I get more information about the Proposed Settlement?

This notice contains only a summary of the terms of the proposed settlement. You can obtain the full Settlement Agreement at the Web site (www.calshakeclassaction.com) or by calling the toll-free number (866-844-0600). For a more detailed statement of the matters involved in this litigation, members of the New Cal-Shake Settlement Class are referred to the pleadings, to the Settlement Agreement, and to other papers filed in this action, which may be inspected at the Office of the Clerk of the Superior Court of Contra Costa County, 725 Court Street, Martinez, California 94553.

Please do not call or write to the Court or the Clerk of the Court with questions about the proposed settlement as neither can answer any questions or provide legal advice regarding the proposed settlement or your rights there under.