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September 19, 2008

Mark and Carol DeCoursey  
8209 172nd Avenue NE  
Redmond, WA 98052-3902

Re: *V&E Imaging v. DeCoursey v. [REDACTED], et al.*

Dear Mark and Carol:

As we have been discussing over the last several weeks, and particularly during the last week, the possibility of a positive settlement has arisen. In short, the two major players in this lawsuit have been negotiating independently of each other, and if taken advantage of, could result in a settlement that places you in the *status quo ante* – and probably better off than you would have been before the unfortunate events that gave rise to this matter.

With regard to [REDACTED], we have responded to [REDACTED] offer in the amount of \$200,000 with a counteroffer in the amount of \$750,000. I have also recently had a discussion with [REDACTED] personal counsel, [REDACTED], regarding settlement. His feeling is that Mr. [REDACTED] may be willing to sign a confession of judgment in the amount of the Empire Remodeling repair estimate, and I believe that we are likely poised to settle with [REDACTED] in the amount of \$400,000 or more.

We have spoken at length of the importance of removing [REDACTED] from any potential trial with Windermere. This is related to my analysis of Windermere's tort liability and application of the collateral source rule. If [REDACTED] is at a trial, the jury is likely to divide one award between the several parties. Conversely, if trial is limited to you and Windermere, it is possible to acquire the same quantum for damages while applying that amount in whole to Windermere despite settlement with [REDACTED]. I left you with excerpts of my research on this subject when I visited you on Tuesday.

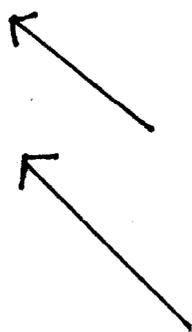
The other potential settlement comes from Windermere. I have confirmed with Matt Davis, Windermere's attorney, that Windermere is ready to offer Market Price plus some additional payment in exchange for your home. He has agreed that any person who views your home would not be a testifying expert, and that they wish only to repair the home, not raze and rebuild a multifamily structure. At this time, the assessed value for your home is \$544,000. Assuming that settlement can be had with [REDACTED] in the amount of \$400,000 and a sale of your home at \$544,000 or greater also occurs, you will effectively be made whole.

[REDACTED]

strategy. Through selling your home, you will avoid the uncertainty and risk that Empire under-bid the cost of repairing your home, the risk that another year of renovation on the house will result in further defects, and the risk that a jury will not award a sufficient amount to repair the current defects. Instead, you would receive the benefit of the bargain that you understood you would undertake at the outset, and place the risk of repairs on Windermere. At the same time, your debts would be relieved, including attorneys fees – a palpable victory given that the current state of the case does not allow you to recover attorneys fees expect through protracted appellate practice.

Most importantly, you would end up with cash in hand for purchase of a new home that would not require remodel or two moves or the stress of uncertainty with regard to repair. At the same time, in the absence of a settlement, you face the cost and risk of trial. Finally, the current market is good for buyers with cash on hand. Indeed, you would likely do better under this proposed settlement structure than where you started.

I have enclosed with my letter, our most recent billings. We have all recognized that the cost of this matter is great. [REDACTED] It is, I believe, our work on this matter that has given rise to the possibility of being made whole – or better – through settlement and without another two years of litigation and appeal. The opposing attorneys have been aggressive and the legal issues novel. We survived strong arguments from opposing sides regarding, among other things, causation and technical defenses, even in the face of a judge who views your case with skepticism. Nonetheless, a payment plan must be established. Again, under the proposed settlement plan your costs and fees are covered.



Trial is scheduled to begin October 22, 2008. Although some discovery motions may be required, we are prepared for trial. I do not discount the fact that the other parties in this matter have not compiled compelling evidence that contradicts your own. The problem, however, is that the numbers for recovery to you are high enough that a jury may not be willing to provide you the relief you seek at trial. Additionally, there exists a strong likelihood that Windermere will appeal any award that finds it liable for downstream risks such as construction defects. In that situation, recovery becomes less likely for you where you continue to incur litigation costs and an award, if not reversed, is years off.

Simply stated, the available settlement here would place you in the position you would have been if you had not used Paul Stickney and Windermere. Indeed, your own testimony has been that you would not have bought the house if Mr. Stickney had not misrepresented his relationship with [REDACTED] and [REDACTED]. This settlement structure places that risk back on the party that deserves to deal with it – Windermere.

Please consider these issues and authorize me to complete a settlement with Mr. Davis on your behalf as well as with [REDACTED] and its insurer. Also, please be assured that your health and

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wellbeing – both financially and personally – are foremost in my mind. I do not take your personal history with this matter lightly, but believe that an objective look at your position requires full pursuit of this opportunity.

As always, if you have any questions or require any further information, please do not hesitate to contact me.

Very truly yours,

LANE POWELL PC

Brent L. Nourse

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