

## NOTICE CONCERNING HOME BUILDING PRODUCTS

To: Homeowners and buyers

Some homes and condominiums include products that have been alleged to be defective and are the subject of lawsuits, recalls or regulatory inquiry. The following are just a few examples: Louisiana-Pacific (LP) Inner-Seal Siding, Masonite Hardboard Siding, Masonite OmniWood Siding, Masonite Woodruf Roofing, Exterior Insulating Finish System (EIFS) (synthetic stucco), Polybutylene plumbing materials, ABS Pipes, Weyerhaeuser Hardboard Siding, Cladwood Siding, Georgia Pacific Hardboard Siding, Cadet and Encore brand electric in-wall heaters, and Cemwood Shakes (and associated brand names Permatek, Cascade, Trieste Tile, and Pacific Slate).

This is not intended to be a complete list. Other products may be found to be defective. The above products are not necessarily defective; they were alleged to be defective at one time. Manufacturers frequently update products; some products carrying the above brand names or descriptions might be found to be acceptable.

Discovering and assessing defective products or materials is beyond the expertise of real estate agents and licensees. Homeowners and buyers should consult appropriate experts. Some products have been the subject of class action settlements for which compensation may be available. Property sellers should disclose the existence of any potentially defective products that are known or suspected to be in or about the home. Buyers should investigate the condition of the home with the assistance of professional inspector(s) before committing to the purchase. If there has been a class action settlement, the seller may need to assign a claim to the buyer on a form provided by the settlement administrator.

For more information, consult a competent home inspector and the United States Consumer Products Safety Commission (1-800-638-2772 or <http://www.cpsc.gov>), a clearing house of some major class action lawsuits at <http://www.kinsella.com>, or a central information site for consumer information found at <http://www.notice.com>. For information on a few particular products with class action settlements:

Masonite products	800-330-2722	<a href="http://www.masoniteclaims.com">www.masoniteclaims.com</a>
Louisiana-Pacific Inner-Seal Siding	800-577-4836	<a href="http://www.lpsidingclaims.com">www.lpsidingclaims.com</a>
Weyerhaeuser Hardboard Siding	800-871-3644 206-682-5600 (hotline)	<a href="http://www.weyerclaims.com">www.weyerclaims.com</a> (plaintiffs = lawyers)
Senergy, Inc. and Thoro System Products, Inc.		
Synthetic stucco (EIFS)	800-350-4730	<a href="http://www.kinsella.com/eifs/">www.kinsella.com/eifs/</a>
Cladwood Siding	888-572-3897	<a href="http://www.cladwoodclaims.com">www.cladwoodclaims.com</a>
Cemwood Shakes and associated products	800-708-3266	<a href="http://www.cemwoodclaims.com">www.cemwoodclaims.com</a>
Polybutylene plumbing	800-876-4698	<a href="http://www.pbpipe.com">www.pbpipe.com</a>
ABS Pipes	888-644-7473	<a href="http://www.abspipes.com">www.abspipes.com</a>

These numbers and web addresses are subject to change without notice.

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**SIDING & PREFINISHING, INC.**  
CONTRACTOR LICENSE: NWSIDP1970JA

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Bothell, WA 98041-1499

Tel: 425-488-2727  
 Toll Free: 800-488-2724  
 Fax: 425-488-2250

Email: sales@nw-siding.com  
 Website: www.nw-siding.com

Windermere Real Estate  
 13901 NE 175<sup>th</sup> St.  
 Woodinville, WA 98072

October 21, 2004

The following prices are intended to help your agents deal with the failed manufactured siding issues. The prices are approximate and assume that the home is built on a fairly level lot with easy access to all walls that are affected with the defective siding. The prices include tear off, disposal of all siding and trims, and re-installation of **primed cedar** bevel and trims as necessary.

**Rambler or 2 Story Home (Siding on all four (4) sides):**

2000 Sq. Ft.	\$ 9,000.00 - \$13,000.00
2500 Sq. Ft.	\$13,000.00 - \$16,000.00
3000 Sq. Ft.	\$14,000.00 - \$18,000.00
3500 Sq. Ft.	\$15,000.00 - \$19,000.00
4000 Sq. Ft.	\$16,000.00 - \$21,000.00
4500 Sq. Ft.	\$17,000.00 - \$23,000.00

**Field Painting (1 Coat Latex) Replaced siding & trims, overhangs, & fascia only:**

2000 Sq. Ft.	\$2,000.00 - \$2,500.00
2500 Sq. Ft.	\$2,500.00 - \$3,125.00
3000 Sq. Ft.	\$3,000.00 - \$3,750.00
3500 Sq. Ft.	\$3,500.00 - \$4,375.00
4000 Sq. Ft.	\$4,000.00 - \$5,000.00
4500 Sq. Ft.	\$4,500.00 - \$5,625.00

*All prices are approximate and subject to change without notice*

NW Siding & Prefinishing, Inc. has replaced siding on over 300 homes due to failed manufactured siding in the Puget Sound Area. We have been in business since 1955. While our focus is on new construction, we have ventured into the reside and retrofit markets. If we are unable to get to a job, we have many sub-contractors we can refer to you.

I am hopeful the above information will be helpful for you and your agents. However, should you have any questions or concerns, please feel free to call me at your convenience.

Very Truly Yours,

Terry West  
 Sales Manager

**Contact Information  
for the L-P Inner-  
Seal® Siding  
Litigation Claims  
Administrator:**

Property owners who want to learn more about the Settlement should call or write:

L-P Inner-Seal Siding  
Litigation  
P.O. Box 3240  
Portland, Oregon  
97208

**1-800-245-2722**

For questions related to siding maintenance or other L-P products, you should contact L-P Customer Service at 1-800-648-6803.

You may also email the Claims Administrator for general case information not included in this website at: [info@lpsidingclaims.com](mailto:info@lpsidingclaims.com). Please direct inquiries regarding specific claim issues to the Post Office Box address listed above.

**ATTN: The deadline to file a claim in the LP Inner-Seal Siding Litigation was December 31, 2002 as stated in the Settlement Agreement.**

The settlement required LP to contribute \$275 million to the settlement fund. That obligation has been fully satisfied through cash payments on a discounted basis of approximately \$265 million. In addition to its mandatory contributions, LP had paid, on a discounted basis, its two \$50 million optional contributions, at a cost to LP of approximately \$71 million. LP was entitled to make its mandatory and optional contributions to the settlement fund on a discounted basis as a result of early payments pursuant to a court-approved early payment program (the "Early Payment Program").

During 2000, LP offered eligible claimants the opportunity to receive a pro rata share of the court-approved second settlement fund (the "Second Settlement Fund") in satisfaction of their claims. Pursuant to this offer, LP paid approximately \$115 million from the Second Settlement Fund in satisfaction of approximately \$319 million in claims. All of the payments under the Second Settlement Fund have been substantially completed, and the Second Settlement Fund is now closed. Claimants who elected not to participate in the Second Settlement Fund remain bound by the terms of the original settlement.

In 2002, LP began offering eligible claimants the opportunity to receive a pro rata share of a court-approved alternative payment program (the "Alternative Payment Program") in satisfaction of their claims. The Alternative Payment Program was extended to all claimants who had valid, unpaid claims. Pursuant to this offer, as of December 31, 2002, LP paid approximately \$31 million from the Alternative Payment Program in satisfaction of approximately \$86 million in claims. The Alternative Payment Program is closed, effective March 31, 2003. Claimants who elected not to participate in the Alternative Payment Program remain bound by the terms of the original settlement.

At December 31, 2002, the estimated amount of approved but unpaid claims under the settlement agreement was approximately \$60 million. Approximately 12,000 new claims were filed during 2002. The settlement closed on December 31, 2002 for the filing of new claims.

From the inception of the settlement through December 31, 2002, LP paid a total of \$482 million in satisfaction of \$780 million in claims. The breakdown of payments is as follows (in millions):

	<b>Paid</b>	<b>Satisfaction of Claim Amount</b>
Original Settlement	\$ 265	\$ 275
Optional Contributions	71	100
Second Settlement Fund	115	319
Alternative Payment Program	31	86
<b>Totals</b>	<b>\$ 482</b>	<b>\$ 780</b>

Source: LP SEC Form 10-K, filed March 17, 2003.

Pursuant to section 4.9 of the settlement agreement, on October 3, 2003, LP declared its voluntary election to satisfy in full all remaining valid and approved unfunded claims. According to the settlement, now that LP has made this election, LP shall make its additional payment to the Settlement Fund not later than the end of the next 12-month period. Based upon LP's declaration, which was filed with the United States District Court for the District of Oregon and served upon class counsel, the independent Claims Administrator expects to receive LP's additional payment on or before October 3, 2004, at which time the Claims Administrator anticipates mailing settlement checks to all claimants who have valid and approved unfunded claims. Once these payments have been made, class members will be deemed to have released LP and others from all claims for damaged OSB siding, except for claims arising under LP's 25-year limited warranty, pursuant to the terms and conditions provided for in the settlement.