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FAX (615) 283-4173

William T. Wray, Atty.
Hunter, Smith & Davis
P.O. Box 3740
Kingsport, TN 37664

Re: Settlement Proposals - Limited Edition Lawsuit

Dear Mr. Wray:

All of my clients have reviewed the settlement letter which was sent to us by the Defendants and their insurance carriers. While the exact terms of the settlement offer cannot be accepted by my clients, I am hopeful that the following response will receive favorable attention. Basically, Walt Tittle, Sr. and Jr., are going to have to take an increased position in the matter in order to get the lawsuit settled. I sincerely believe that the following settlement terms are very reasonable and do not necessarily increase the participation of the insurance companies in the settlement.

1. The Limited Edition Homeowners Association would be paid cash in the amount of \$100,000.00.
2. My attorney fee would be paid in the amount of \$100,000.00.
3. Walt Tittle, Sr. (and Walt Tittle, Jr.?) would purchase seven (7) units instead of three (3) units. The units to be purchased would be:

a. Unit 32 - Glassford	e. Unit 40 - Sparks
b. Unit 34 - Collins	f. Unit 42 - Hawnn
c. Unit 36 - King	g. Unit 44 - Brown
d. Unit 38 - Usary	

The average price to be paid for the 7-units would be \$125,000.00. Some of the units might have a price lower than \$125,000.00, and some of the units might have a price higher than \$125,000.00, but the average price would be \$125,000.00.

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There are several of my clients who would be willing to rent back their units from Mr. Tittle such that he would have an immediate source of rental income on some of the units.

4. All seven units purchased would have to be removed from the condominium association and no longer be a part of Limited Edition. Each of the seven units would have to pay 1/33rd of any cost for road maintenance for roadways and cost of operation and maintenance of street lighting located in the condominium complex. If the City of Johnson City ever takes over maintenance of the streets, the requirement to share costs would come to an end.
5. Each of the seven units purchased would grant an easement to the Homeowners Association for maintenance of utility and drainage lines currently located upon the lots.
6. All seven units will have to be maintained by Mr. Tittle, or anyone else he sells to, at the same level of maintenance as the other units in Limited Edition.
7. Any lease for any of the seven units will have to be for a minimum term of one (1) year as required by the current laws of Limited Edition. We do not want transients in the units.
8. The Limited Edition Homeowners Association would be given fee simple, unencumbered title to the two (2) undeveloped lots currently located in the center of the complex.

As you can see, the settlement response of the Plaintiffs fairly meets the requirements of the insurance companies but does slightly increase the requirements imposed on Mr. Tittle. The amount of cash paid is the same as set forth in your settlement proposal.

I have signed authorization from my clients to settle for the above terms.

mec 8/24/94

Very truly yours,

WELLER, MILLER, CARRIER, MILLER &
HICKIE

BY:

SBM,II:kh