

**NOTICE OF PENDENCY AND
SETTLEMENT OF CLASS ACTION**

TO: ALL PERSONS AND ENTITIES WHO OR THAT
PURCHASED OR CONSUMED WATER FROM THE
VILLAGE OF CRESTWOOD AT ANY TIME FROM
JANUARY 1, 1985 THROUGH SEPTEMBER 1, 2007:

PLEASE READ THIS NOTICE CAREFULLY. IT
RELATES TO THE PROPOSED SETTLEMENT OF A
CLASS ACTION AND CONTAINS IMPORTANT
INFORMATION ABOUT YOUR RIGHTS AND ABOUT
HOW YOU MAY BE ABLE TO OBTAIN THE
BENEFITS OF THE SETTLEMENT DESCRIBED
BELOW.

This Notice is not an expression of any opinion by the Court with respect to the truth of the allegations in the Litigation or the merits of the claims or defenses asserted.

I. Nature of the Litigation and Settlement

1. Beginning on April 23, 2009, various plaintiffs filed individual and class action lawsuits relating to the Village of Crestwood's use of Well No. 1 to supply water to persons or entities in the Village. These consolidated suits are currently pending in the Circuit Court of Cook County before the Honorable Mary K. Rochford in the matter captioned *Joseph Marzano v. Village of Crestwood*, No. 09 CH 16096. (The consolidated matters are referred to herein as the "Litigation").

2. The parties in the Litigation have investigated the various claims and have agreed to a settlement of all claims except claims for bodily injury and/or wrongful death, if any. In particular, the parties have entered into a Stipulation of Settlement pursuant to which the Village of Crestwood would contribute \$500,000 to be used to refund a percentage of the water bills paid by residential and business or commercial customers. Residential consumers are eligible to receive a refund of up to 20% of the water bills they paid during the Class Period and commercial consumers are eligible to receive a refund of up to 10% of the water bills they paid during the Class Period, subject to *pro rata* adjustment if the approved claims exceed \$500,000.

3. In addition to the consideration described in Paragraph 2, the Settlement will also result in an order providing that Crestwood Well No. 1 will remain sealed and non-functional in perpetuity unless a governmental authority with competent jurisdiction specifically authorizes the well to be re-opened or unless otherwise ordered by the Court. As part of the proposed Settlement, for a three-year period Crestwood, at its sole expense, will hire an independent certified environmental company, with the approval of the Court and Class Counsel, to submit annual reports to the Village of Crestwood as to the content

and safety of its water supply. Those reports will be made available by the Village of Crestwood to the public promptly after they are issued.

4. In addition to the consideration described in Paragraphs 2 and 3, the Village of Crestwood will freeze the rate of administrative expenses it charges in connection with its water bills for three years. The Village will continue to provide garbage pickup to residential homes and condominiums in the Village at no charge for two years. The Village will also freeze the charge for obtaining a business license at \$1.00 and the charge for a vehicle sticker at \$5.00 for two years.

II. Rights of Class Members

5. By Order dated July 22, 2010, the Court conditionally certified the following plaintiff class for settlement purposes: All persons or entities that purchased or consumed water from the Village of Crestwood at any time from January 1, 1985 through September 1, 2007. Those Class members who timely and validly request exclusion from the Crestwood Class pursuant to this Notice of Pendency and Settlement of Class Action shall be excluded from the Crestwood Class. The Court has also appointed Larry D. Drury of Larry D. Drury, Ltd., Burton I. Weinstein of Baskin, Server, Berke & Weinstein, and Ben Barnow of Barnow and Associates, P.C. as counsel for the Crestwood Class. This Court has also appointed Joseph Marzano, Diana Delarosa and Regina Rowan to act as the class representatives.

6. If you are a member of the Crestwood Class, you have the following options:

A. You may elect to submit a sworn statement that contains your name, current address and telephone number, the dates on which you were a water customer with a billing address in the Village of Crestwood and the amount of the water bills that you paid for water supplied by the Village of Crestwood during the class period. The Claims Administrator will review each sworn statement, attempt to confirm the representations made in the sworn statement, and provide the Court with a recommendation as to what amount, if any, should be paid to each such consumer. If you choose to exercise this option, you must mail the sworn statement identified herein to Robert V. Boharic, Claims Administrator, P.O. Box 280, Riverside, IL 60546, by no later than September 30, 2010. You must also mail a copy of the sworn statement to Class Counsel and counsel for the Village of Crestwood identified in Paragraph 9 below, by no later than September 30, 2010.

B. You may, but are not required to, enter an appearance in the Litigation individually or through counsel of your own choosing at your own expense. If you do not do so, you will be represented by Class Counsel, identified in paragraph 3 above.

C. If you do not wish to be included in the Crestwood Class and you do not wish to participate in the proposed Settlement described in this Notice and to

obtain the Settlement benefits, you may request to be excluded from the Crestwood Class. To do so, you must mail a written exclusion request, which sets forth your name, current address, and telephone number, and a statement that you wish to be excluded from the Crestwood Class in this Litigation to Robert V. Boharic, Claims Administrator, P.O. Box 280, Riverside, IL 60546 by no later than September 30, 2010. You must also mail a copy of your written exclusion request to Class Counsel and counsel for the Village of Crestwood, identified in Paragraph 9 below, by September 30, 2010.

NO REQUEST FOR EXCLUSION WILL BE VALID UNLESS IT IS POSTMARKED NO LATER THAN SEPTEMBER 30, 2010, AND ALL OF THE INFORMATION DESCRIBED ABOVE IS INCLUDED IN ANY SUCH REQUEST.

If you validly and timely request exclusion from the Crestwood Class, (a) you will be excluded from the Crestwood Class, (b) you will not share in the proceeds of this Settlement described in this Notice, (c) you will not be bound by any Final Order and Judgment entered in the Litigation, and (d) you will not be precluded, by reason of your decision to request exclusion from the Crestwood Class, from otherwise prosecuting an individual claim for remedies, if any, against the parties, at your own expense.

D. If you do not request to be excluded from the Crestwood Class, you may object to the Settlement or any of its terms in writing on or before September 30, 2010 in the manner set forth in Section III below. However, if your objection is rejected, you will be bound by the Settlement, by the Final Order and Judgment, and by the Release described in the Stipulation of Settlement, and by all other determinations, rulings, or orders applicable to the Crestwood Class, just as if you had not objected.

E. You may do nothing at all. If you choose this option, you will not receive a refund of any amounts that you paid for water service from the Village of Crestwood. You will be barred from pursuing certain claims against the Village of Crestwood, Chester Stranczek, Robert Stranczek and others as stated in the Stipulation of Settlement and you will be deemed to have released certain claims against the Village of Crestwood, Chester Stranczek, Robert Stranczek and others as stated in the Stipulation of Settlement. You will also be bound by any Final Order and Judgment entered in the Litigation.

III. The Final Approval Hearing

7. A hearing will be held before the Hon. Carolyn Quinn or any judge sitting in her stead in the Circuit Court of Cook County, Chancery Division, Richard J. Daley Center, Chicago, Illinois, Room 2308 at 1:30 p.m. on December 9, 2010 for the purpose of determining whether the proposed Settlement is fair, reasonable and adequate and whether it should be approved by the Court, and for approving petitions for fees and expenses as may be submitted by Class Counsel and the Claims Administrator. The fees and expenses to be paid to Class Counsel shall not exceed \$400,000.

8. The Hearing may be adjourned from time to time by the Court without further Notice. Any member of the Crestwood Class who has not requested exclusion

may appear at the Hearing to show cause why the proposed Settlement or any of its terms should be or should not be approved; however, no such person shall be heard unless his or her written objection or opposition and a statement of the reasons therefor is filed with the Clerk of the Circuit Court of Cook County, on or before September 30, 2010. Any member of the Crestwood Class opposing or objecting to the Settlement must also serve a written objection stating the reasons for such objection, and copies of any papers or briefs to be submitted by him or her to the Court at the Hearing, to Class Counsel and counsel for the Village of Crestwood, as indicated in Paragraph 9 below, no later than September 30, 2010. Any member of the Class who does not make his or her objection or opposition in the manner provided above, shall be deemed to have waived all objections and opposition to the terms of the proposed Settlement.

9. For a more detailed statement of the matters involved in this Litigation, reference is made to the pleadings, to the Stipulation of Settlement, and to other papers filed in this action, which may be inspected at the office of the Clerk of the Circuit Court of Cook County, Chancery Division, Richard J. Daley Center, Chicago, Illinois during regular business hours of each business day. A copy of the Stipulation of Settlement is also posted on the Village of Crestwood website at www.villageofcrestwood.org and hard copies of the Stipulation of Settlement are also available at the Crestwood Village Hall. Any and all notices or objections referenced above shall be given to counsel for the Village of Crestwood by sending a copy to:

Caesar A. Tabet
Daniel L. Stanner
Tabet DiVito & Rothstein LLC
209 S. LaSalle Street
7th Floor
Chicago, Illinois 60604;

and by sending a copy to Plaintiffs' Class Counsel at:

Larry Drury
Larry D. Drury, Ltd.
100 North LaSalle Street
Suite 1010
Chicago, IL 60602.

Dated: July 22, 2010

BY ORDER OF THE HON. MARY K. ROCHFORD