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Dear Friends and Neighbors,

I am writing to inform you that a settlement opportunity has resulted from negotiations between our village attorneys and plaintiff attorneys over alleged negligence by village workers and administrators in regard to water distribution.

Under the terms of this proposed agreement, all of the three hundred and sixty (360) lawsuits filed against the village would be settled and the village freed from the uncertainty that has plagued us for the past several years.

Under this proposed agreement, the village would pay a total of \$12 million. The majority of this amount could be paid from a loan for \$9 million, and the remainder from our general revenue funds. An additional \$3 million would be paid on behalf of the Village to the Plaintiffs by one of our insurers, Hartford Insurance Company.

Make no mistake, \$12 million is a substantial amount of money. It is however, a far cry from the original \$2 billion that was initially suggested when these lawsuits first hit the village. While theoretically, we could refuse to agree to this settlement and take each and every case to trial, to do so would cost us millions of dollars. Even if the Village is exonerated in all of those individual trials, as we would expect, the defense costs alone potentially could cost more than the proposed settlement amount. Keep in mind that we would be faced with taking individual cases to trial, one at a time, for several weeks per trial. Such a long, drawn out process would cost millions in attorney fees, take years to resolve and, most importantly, provide no absolute guarantee that we would prevail in each and every lawsuit. There is always some small risk in taking any case to trial, no matter how right you may be in your position, especially if you are faced with the prospect of as many as 360 such trials continuing for many years. In addition, over the many years such a resolution would take, property values in Crestwood might be impacted by uncertainty and small commercial property owners might be concerned about investing in our village.

Your village board voted unanimously to pursue the loan money that would be necessary to pay for this proposed settlement. They did so for a variety of reasons, including:

1. The entire \$9 million bond issuance will be paid for by earmarking 25 percent of the existing one percent sales tax to pay off the bonds. The financial method needed to pay for the proposed settlement already exists through a sales tax and seventy-five percent of those funds are generated by non-residents shopping in our village.

2. Accepting this settlement would have NO ADDITIONAL FINANCIAL IMPACT ON CITIZENS OF CRESTWOOD. No new tax. No increase in existing taxes. No new user fees. No increase in user fees.
3. Accepting this settlement would have NO IMPACT ON PLANNED VILLAGE IMPROVEMENTS. Flood control projects will continue, sidewalk installations will continue, street and beautification projects will continue without any impact what so ever.
4. Accepting this settlement would have NO IMPACT ON PLANNED PROPERTY TAX REBATES TO RESIDENTS OF CRESTWOOD.
5. Putting this issue behind us will send a resounding signal to the World that Crestwood has put its finances in order and its future could not be brighter. That message will open the gates to improved property value for every resident of our village and take away any concerns that commercial and residential property developers might have about the future of our village.

I know that not everyone will be happy with this agreement. Those who sued us may feel they should be awarded more. On the other hand, many Crestwood residents feel that no one should receive a penny because Illinois EPA determined, our experts have concluded, and test results prove that our water was never a health problem. But even though we would expect eventually to prevail in these lawsuits, it is time to put this issue to rest and move our village forward. It is time to unite behind a resolution that ensures our own prosperity as well as that of future Crestwood residents.

I urge every resident of Crestwood to challenge those who may disagree with this proposed settlement to answer two very simple questions:

1. What is their plan to deal with the current 360 lawsuits?
2. What will their plan cost our village?

I and your elected Trustees have all reviewed the alternatives, spoken with the experts and agreed unanimously that the current settlement opportunity is the best option available to our village. As a consequence, in the very near future you and your family may once more be free to awaken each day in a village filled with promise. Your police and fire departments will always be there to protect you. Your streets will not only be kept free and safe from snow but will be modernized and made more attractive. Your parks will always be open, clean and safe for our children. And every man, woman and child who passes through our community will feel the pulse of progress as our village continues its transformation into a modern, thriving community, embracing a future filled with promise for all of its residents.

Once more, I humbly thank each of you for having placed your trust in me to be your Mayor and to lead our village out from beneath the cloud of these lawsuits.

Thank you and God bless you.



Louis Presta
Mayor