

IN THE CIRCUIT COURT
FOR HOWARD COUNTY, MARYLAND

JASON W. ROYAL

and all others similarly situated

Plaintiffs,

[vs]

Civil No: 13-C-04-059581 OC

EASTERN HOMES, INC., et. al.

Defendants.



**NOTICE OF CLASS ACTION LAWSUIT AND PROPOSED SETTLEMENT WITH
CLASS I, CLASS II AND DEFENDANT EASTERN HOMES, INC. ET. AL.
(LONG FORM)**

TO: All persons who are had a home installed by Eastern Homes, Inc. in Maryland or reside in a mobile home park in Maryland owned or operated by Gilbert A. Mobley, Sr., the Estate of Joyce A. Mobley, Brentwood Manor, Inc., White Plains Mobile Home Park I, Inc., White Plains Mobile Home Park II, Inc., Severn Mobile Home Park, Inc., Beltway Mobile Home Park, Inc., Gilbert A. Mobley, Jr., and/or Karen Mobley.

YOU WILL NOT NEED TO MOVE OUT OF YOUR HOME FOR THIS TO HAPPEN.

DEFENDANT(S) WILL RETRO-FIT THE CLASS SETTLEMENT MEMBERS' HOMES WITH A NEW ANCHORING SYSTEM DESIGNED TO MAKE THE HOMES SAFE AND BRING THEM INTO COMPLIANCE WITH APPLICABLE FEDERAL AND STATE CODES FOR ANCHORING SYSTEMS FOR MANUFACTURED HOUSING, IF NEEDED. THE VALUE OF THE COMPONENTS AND SERVICES INCLUDE ENSURING THE HOMES ARE BROUGHT INTO COMPLIANCE WITH RELEVANT HUD, COMAR AND RESPECTIVE COUNTY REGULATIONS, ARE CODE COMPLIANT AND HELP TO PROTECT THE FUTURE SAFETY OF THE INHABITANTS AND THEIR NEIGHBORS. ADDITIONALLY, THE RESPECTIVE HOMES VALUES ARE INCREASED ON RE-SALE DUE TO THE FACT THAT THE HOMES ARE CODE COMPLIANT AND CAN THUS BE SOLD AS SUCH. THERE ARE ESTIMATED TO BE APPROXIMATELY 400-450 HOMES IN EACH RESPECTIVE CLASS. INSPECTIONS OF CLASS MEMBERS' MANUFACTURED HOMES WILL BE PERFORMED BY A QUALIFIED INSPECTOR AGREED TO BY CLASS COUNSEL AND COORDINATING DEFENDANTS COUNSEL, WHICH INSPECTIONS SHALL DETERMINE WHETHER THE CLASS MEMBERS' MANUFACTURED HOMES ARE FITTED OR NOT WITH PROPER ANCHORING SYSTEMS AS REQUIRED BY APPLICABLE FEDERAL AND STATE CODES. **ADDITIONALLY FOR CLASS I ONLY: PERSONS IN THE SETTLEMENT CLASS**

WHO, INDIVIDUALLY OR COLLECTIVELY, SUBMIT A COMPLETE CLAIM FORM TO CLASS COUNSEL AFTER INSPECTION OR RETRO-FIT IF NEEDED, AND WITHIN THREE YEARS OF FINAL APPROVAL OF THIS SETTLEMENT OR SIXTY-DAYS FROM SAID INSPECTION OR RETRO-FIT, WHICHEVER IS LATER, SHALL BE ENTITLED TO RECEIVE ONE-HUNDRED AND EIGHTY FIVE DOLLARS (\$185.00). **CLASS I FUNDING:** DEFENDANT(S) HAVE AGREED TO ESTABLISH AND FUND A SETTLEMENT TRUST IN THE AMOUNT OF \$710,000.00 WHICH IS CONSIDERED PART OF THE COMMON FUND CREATED AS A RESULT OF THIS LAWSUIT (THE OTHER PART BEING THE IN-KIND CONTRIBUTION OF GOODS AND SERVICES TO BRING HOMES INTO COMPLIANCE WITH FEDERAL AND STATE CODES AS CONTEMPLATED IN THE RETRO-FIT TO BE CONSUMMATED OVER A THREE YEAR PERIOD). OF THIS AMOUNT, \$115,000 SHALL BE SET ASIDE FOR PUTATIVE PAYMENTS TO CLASS MEMBERS AND INCENTIVE PAYMENTS TO CLASS REPRESENTATIVES AS CONTEMPLATED BELOW. AS COMPENSATION FOR REPRESENTING THE CLASS, PARTICIPATING IN THE LITIGATION, AND ALLOWING THEIR HOMES TO BE USED AS TEST PROTOTYPES FOR THE NEW STABILIZING SYSTEMS, CLASS COUNSEL IS PROPOSING INCENTIVE PAYMENTS OF \$15,000 EACH TO LAWRENCE CORWIN AND CORDELIA AND JOHN WALSER FOR ACTING AS CLASS I REPRESENTATIVES. THE REMAINDER OF THE SETTLEMENT TRUST SHALL BE USED AS APPROVED BY THE COURT FOR CLASS COUNSEL FEES AND COSTS. FINALLY, \$30,000 WILL BE PAID IMMEDIATELY BY EASTERN HOMES, INC. TO HELP COVER THE COSTS OF ADMINISTRATION OF THE SETTLEMENT AND PROVIDING THE REQUIRED CLASS NOTICE, INCLUDING NEWSPAPER ADVERTISING AND MAILING COSTS. **CLASS II FUNDING:** DEFENDANT(S) HAVE AGREED TO ESTABLISH AND FUND A SETTLEMENT TRUST IN THE AMOUNT OF \$140,000.00. AS AN INCENTIVE PAYMENT FOR REPRESENTING THE CLASS, PARTICIPATING IN THE LITIGATION, AND ALLOWING THEIR HOMES TO BE USED AS TEST PROTOTYPES FOR THE NEW STABILIZING SYSTEMS, CLASS COUNSEL IS PROPOSING INCENTIVE PAYMENTS OF \$3,000 EACH TO JASON ROYAL, LEONARD AND MELINDA STEWART AND HAMILTON "BUDDY" SHOOP FOR ACTING AS CLASS II REPRESENTATIVES. THE REMAINDER SHALL BE USED AS APPROVED BY THE COURT FOR CLASS COUNSEL FEES AND COSTS.

CLASS I DEFINITION FOR PURPOSES OF SETTLEMENT:

All persons in Maryland whose manufactured home was installed by Eastern Homes, Inc. in Maryland after August 25, 2000 and: 1) does not have footings under each pier that extend below the locally established frost line; or 2) does not have load carrying portions of the ground anchors that extend below the locally established frost line; or 3) does not have ground anchors which utilize either a stabilizer plate or a concrete cylindrical collar; or 4) does not have anchoring equipment that is capable of resisting an allowable working load equal to or exceeding 3,150 pounds and capable of withstanding a 50 percent overload (4,725 pounds total) without failure of either the anchoring equipment or the attachment point on the manufactured home; or 5) any person or entity with similar claims to those of the Named Plaintiffs in the Royal Action. Excluded from both Class I are the following: (i) Defendants, any person, firm trust, corporation or other entity affiliated with Defendants; (ii) any claims for

actual personal injuries (any applicable statute of limitations will apply to these claims and the filing of this class action did not toll such claims), and (iii) class members who timely exclude themselves from this settlement, as discussed below.

“Similar Claims” shall mean and include all claims by any person or entity, whether filed or un-filed, which are the same as or substantially similar to the underlying claims of the Named Plaintiffs in the *Royal* Action or which seek relief for damages that are the same as or substantially similar to those alleged by the Named Plaintiffs in the *Royal* Action. Similar Claims shall include and encompass any claim for damages, injunctive or declaratory relief arising out of Eastern Homes, Inc.’s alleged improper installation of a mobile home on or after August 25, 2000 and in which claimant(s) seek(s) repair or correction, or money damages for the repair or correction, of damage to the mobile home or the defective conditions allegedly caused by the improper installation. “Similar Claims” does not include claims for bodily injury.

CLASS II DEFINITION FOR PURPOSES OF SETTLEMENT:

All persons who live in Maryland who are not members of Class I (including any person or entity with Similar Claims to those of the Named Plaintiffs in the *Royal* Action as defined in Section 1.19 of the Settlement Agreement and whose manufactured home was installed by Eastern Homes, Inc. in Maryland before August 25, 2000 and: 1) does not have footings under each pier that extend below the locally established frost line; or 2) does not have load carrying portions of the ground anchors that extend below the locally established frost line; or 3) does not have ground anchors which utilize either a stabilizer plate or a concrete cylindrical collar; or 4) does not have anchoring equipment that is capable of resisting an allowable working load equal to or exceeding 3,150 pounds and capable of withstanding a 50 percent overload (4,725 pounds total) without failure of either the anchoring equipment or the attachment point on the manufactured home; or 5) any person or entity with similar claims to those of the Named Plaintiffs in the *Royal* Action as defined in Section 1.19. Excluded from Class II are the following: (i) Any Defendant, any person, firm trust, corporation or other entity affiliated with any Defendant; (ii) any claims for actual personal injuries (any applicable statute of limitations will apply to these claims and the filing of this class action did not toll such claims); and (iii) any class members who timely exclude themselves from this settlement, as discussed below.

“Similar Claims” shall mean and include all claims by any person or entity, whether filed or un-filed, which are the same as or substantially similar to the underlying claims of the Named Plaintiffs in the *Royal* Action or which seek relief for damages that are the same or substantially similar to those alleged by the Named Plaintiffs in the *Royal* Action. Similar Claims shall include and encompass any claim for damages, injunctive or declaratory relief arising out of Eastern Homes, Inc.’s alleged improper installation of a mobile home before August 25, 2000 and in which claimant(s) seek(s) repair or correction, or money damages for the repair or correction, of damage to the mobile home or the defective conditions allegedly caused by the allegedly improper installation. “Similar Claims” does not include claims for bodily injury.

The "Royal Action" is defined as that class action filed in the Circuit Court for Howard County, Maryland, known as Royal et. al. v. Eastern Homes, Inc., et. al., No. 13-C-04-059581, including all amended Complaints thereto, filed on or about August 2004.

COUNSEL FOR PLAINTIFFS BELIEVE THAT THIS SETTLEMENT PROVIDES CONSIDERABLE VALUE TO THE CLASS. TO OBTAIN THESE BENEFITS YOU DO NOT NEED TO COMPLETE A CLAIM FORM NOW OR DO ANYTHING. **HOWEVER, IF YOU DO NOT DESIRE TO RECEIVE THESE BENEFITS, YOU MUST TIMELY EXCLUDE YOURSELF FROM THIS SETTLEMENT AS DISCUSSED BELOW. PLEASE READ BELOW.**

**PLEASE READ THIS NOTICE CAREFULLY.
THIS IS NOT A NOTICE OF A LAWSUIT AGAINST YOU.
YOU MAY BENEFIT FROM READING THIS NOTICE.**

WHAT THIS LAWSUIT IS ABOUT

A Class Action Complaint and Motion and Memorandum in Support of Class Certification were originally filed in this matter on August 24, 2004. There have been multiple amendments to the Complaint since the initial filing. The final amendment sought certification of two classes, Class I and Class II. The lawsuit alleged that the Defendants negligently installed mobile homes causing damages to the homes, including but not limited to, breaching the federally-mandated seal each home has when it is initially installed which worsens with time. Further, it was alleged that the homes sit on foundation piers that are set on grade and do not have footings below the frost-line of each pier and the homes were installed using improper hurricane tie down anchoring systems. It was further alleged that, as a result, a significant risk of significant personal injury and/or death exists. Class I has six counts certified, all of which require proof of the same facts. The Claims included Strict Liability in Tort; Unjust Enrichment/Constructive Trust; Injunctive/Declaratory Relief; Breach of State Law Express/Implied Warranty; Breach of Magnuson-Moss Warranty Act; Breach of Contract.

Defendants denied liability and raised numerous defenses to the lawsuit.

On or about May 11, 2005, Defendants filed an Opposition to Plaintiffs' Motion and Memorandum in Support of Class Certification. The initial class certification hearing was continued by consent to allow the parties to engage in substantial discovery and submit supplemental memoranda incorporating and relying upon the discovery. On February 15, 2006, upon consent of all the parties, Defendants filed a Joint Supplemental Memorandum in Opposition to Plaintiffs' Motion and Supplemental Memorandum after extensive discovery was completed on class certification issues. This followed Plaintiffs' own supplemental memorandum which incorporated many key admissions including that Defendants' own experts concurred in many respects with many of the findings and conclusions of the Plaintiffs' experts.

The Court held oral arguments on March 3, 2006. On that day, in addition to extensive oral argument, several witnesses testified as to the nature of the defects and damages to the class including Plaintiffs' geotechnical engineer Dr. Robert Kondner and Plaintiffs' manufactured

housing expert Roy Bonney. In addition, testimony was received vis-à-vis deposition transcripts and in other forms.

On August 15, 2006, this Court certified Class I which generally consisted of:

All persons in Maryland whose manufactured home was installed by Eastern Homes, Inc. after August 25th, 2000 and whose home: 1) does not have footings under each pier that extend below the locally established frost line; or 2) does not have load carrying portions of the ground anchors that extend below the locally established frost line; or 3) does not have ground anchors which utilize either a stabilizer plate or a concrete cylindrical collar; or 4) does not have anchoring equipment that is capable of resisting an allowable working load equal to or exceeding 3,150 pounds and capable of withstanding a 50 percent overload (4,725 pounds total) without failure of either the anchoring equipment or the attachment point on the manufactured home.

The Court appointed the undersigned as Class Counsel and John and Cordelia Walser and Lawrence Corwin as Class Representatives. The Court denied certification of Class II in the same order. Settlement Class II is intended to encompass those persons who would have been members of the Class II that the Court declined to certify.

Thereafter, Defendants moved *twice* to have the class decertified and upon the second request, the Court held an oral argument. Each of the requests were denied by the Court.

The parties held settlement discussion throughout this process spanning over one year consisting of numerous meetings and communications and involving at least two (2) Court-appointed mediators, both of whom were retired Circuit Court Judges for the State of Maryland.

In the meantime, on or about the eve of the scheduled trial in this matter (March 2007) the insurance companies for Defendant Eastern Homes, Inc., Penn National Mutual Insurance Co., Inc. and American Modern Insurance Co., filed a declaratory judgment action in federal court in Baltimore alleging that there was no coverage (no duty to defend nor duty to indemnify) for Eastern Homes, Inc. (See PENN NATIONAL INSURANCE COMPANY, et al. v. EASTERN HOMES, INC., et al. United States District Court for the District of Maryland, Case No.: 1:07-cv-00672 (Judge Richard D. Bennett). The insurance carriers chose to sue not only their insured but also the following mobile home owners, some of whom were members of Class I and some of whom were not: Jason W. Royal, Leonard Stewart, Melinda Stewart, Sharon E. Stanhope (A/K/A Sherry E. Stanhope), Donald & Antoinette Scaran, Cordelia and John Walser, Lawrence Corwin, Anna Azni, Samuel Crouch, Nancy Defina, Sheldon McNeil, Joshua Mendoza, John Morrill, Michael Neville, Beverly Payne, Mary Purdham, Jeffrey Quade, Cecelia Queen, Johnner Reilly, Hamilton Shoop, Christy Stanton, Thomas Tarmon Trust, William Thomas, Christopher Weiffenbach, John Cain, Marlene Carlton, and Helen Taylor (collectively “mobile’ / manufactured home owners”). The Class and other non-class mobile home owners moved to dismiss the declaratory judgment action as did Defendant Eastern Homes, Inc. In the meantime, numerous settlement conferences involving all parties and the insurance carriers occurred over the summer of 2007. Throughout the summer of 2007, the parties remained unable to reach a settlement. These settlement conferences at the Circuit Court failed to result in

a settlement although progress was methodically made after each party and the carriers explained their respective arguments as to liability, damage and coverage.

Another court-ordered settlement conference occurred on September 12, 2007, at which counsel for the parties were instructed to submit any additional information. After nearly a full day, and significant concessions by the Plaintiff Class and the Defendant Eastern Homes, the parties made substantial progress towards settlement which included Penn National, the insurer for Eastern Homes, whose policies insure the period of time for which Class I was certified by the Court. By the end of that day, the parties requested a brief recess of a week or so to continue their efforts.

The parties, in the meantime, had been prosecuting and defending Motions in *Limine* and continuing to prepare for trial in November 2007. On or about the middle of September, 2007, the parties were informed by counsel for Penn National that there would be no settlement offer from that carrier at that time.

On or about September 25, 2007, the Class, having been satisfied that Penn National would not enter into the proposed settlement in this matter at that time, entered into a settlement in principle with Defendant Eastern Homes, Inc.

As to the declaratory judgment action, PENN NATIONAL INSURANCE COMPANY, et al. v. EASTERN HOMES, INC., et al. United States District Court for the District of Maryland, Case No.: 1:07-cv-00672 (Judge Richard D. Bennett), the case was dismissed by Judge Bennett on November 19, 2007 for discretionary jurisdictional reasons.

The respective carriers took an appeal to the United States Court of Appeals for the Fourth Circuit in Richmond, Virginia. As part of that appeal process, the Fourth Circuit appointed a mediator experienced in the issues related to not only the appeal but the underlying case. On or about April 1, 2008, all parties participated in a mediation with the Court-appointed mediator. The mediation began in the morning and the mediator took substantial time with each side, settlement progress again being made. The mediation was adjourned with the carriers requesting additional time for the matter to be considered. Within the next several weeks, with the assistance of the mediator, the parties were finally, after exhaustive efforts, able to reach what is deemed a settlement in the best interests of the Class.

On June __, 2008, Judge Lenore R. Gelfman (i) determined that this action should proceed as a class action, for purposes of settlement only, with respect to the claims of the Plaintiffs against Eastern Homes, Inc. and the other Defendants identified herein, with Plaintiffs John and Cordelia Walser and Lawrence Corwin as Class Representatives of the certified Class I; (ii) determined that Jason Royal, Leonard and Melinda Stewart and Hamilton "Buddy" Shoop shall serve as Class Representatives as representatives of settlement Class II; and (iii) granted preliminary approval of the settlement, subject to a fairness hearing which will take place at 9:00 a.m. on October 2, 2008, in the Circuit Court for Howard County, Maryland.

You are being sent this notice because you may be a member of one of the settlement classes. This notice explains the nature of the lawsuit and the terms of the settlement, and informs you of your legal rights and obligations. **IN ORDER TO OBTAIN THE BENEFITS**

OF THIS SETTLEMENT, YOU DO NOT NEED TO DO ANYTHING AS IT RESPECTS THE RETRO-FIT AND INSPECTION. HOWEVER IF YOU ARE A MEMBER OF CLASS I AND DESIRE TO RECEIVE THE COMPENSATION OUTLINED HEREIN, YOU MUST FILE A CLAIM FORM WITHIN THREE (3) YEARS. IF YOU DO NOT WISH TO RECEIVE THESE BENEFITS AND YOU DO NOT TIMELY EXCLUDE YOURSELF FROM THIS SETTLEMENT, YOU WILL BE BOUND BY THE COURT'S JUDGMENT, WHETHER FAVORABLE OR NOT. YOU MAY CONTACT THE ATTORNEYS FOR THE CLASS, JON D. PELS AND/OR LAWRENCE J. ANDERSON WITH ANY QUESTIONS YOU MAY HAVE ABOUT THE SETTLEMENT, AND THEY WILL ENDEAVOR TO EXPLAIN THE SETTLEMENT AND ANSWER ANY QUESTIONS YOU MAY HAVE ABOUT IT.

NO ADMISSION OF LIABILITY

Defendants have denied any and all wrongdoing as alleged in the Complaint filed in the Lawsuit. By settling this Lawsuit, Defendants are not admitting they have done anything wrong and are settling the case solely to avoid the risks inherent in further litigation. The insurers also are not admitting or conceding any coverage issues but are settling the case solely to avoid the risks inherent in further litigation.

THE PROPOSED SETTLEMENT

Defendant Eastern Homes, Inc. will inspect and if required, will retro-fit the homes of members of Class I and of Class II with a new anchoring system designed to make the homes safe and bring them into compliance with any applicable federal and state codes for anchoring systems. There are estimated to be approximately 400-450 homes in each respective class. An inspection of Class members' manufactured homes will be performed by a qualified inspector agreed to by Class Counsel and Coordinating Defendants' Counsel, which inspection shall determine whether the Class members' manufactured homes are fitted or not with proper anchoring systems as required by any applicable HUD or COMAR Building Codes. Defendants shall have three years from the date of final approval of the settlement to complete the retro-fit process of all the homes.

Additionally for Class I only: Persons in the Settlement Class who, individually or collectively, submit a complete claim form to Class Counsel shall be entitled to receive one-hundred and eighty five dollars (\$185.00). The Claim Form must be submitted within three years of final approval of this settlement **or October 3, 2011.**

Class I funding: Defendants have agreed to establish and fund a Settlement Trust in the amount of \$710,000.00, which is considered part of the common fund created as a result of the *Royal Action* (the other part being the in kind contribution of goods and services to bring homes into compliance with applicable federal and state tie-down standards as contemplated in the retro-fit to be consummated over a three-year period). Of this amount, \$115,000 shall be set aside for putative payments to class members and incentive payments to class representatives as contemplated in this notice. As an incentive payment for representing the Class, participating in the litigation, and allowing their homes to be used as test prototypes for the new stabilizing

systems, Class Counsel is proposing incentive payments of \$15,000 each to Lawrence Corwin and Cordelia and John Walser for acting as Class I Representatives. The remainder shall be used as approved by the Court for class counsel fees and costs. Finally, \$30,000 will be paid immediately by Eastern Homes, Inc. to help cover the costs of administration and class notice, including newspaper advertising.

Class II funding: Defendant(s) have agreed to establish and fund a Settlement Trust in the amount of \$140,000.00. As an incentive payment for representing the Class, participating in the litigation and allowing their homes to be used as test prototypes for the new stabilizing systems Class Counsel is proposing incentive payments of \$3,000 each to Jason Royal, Leonard and Melinda Stewart and Hamilton "Buddy" Shoop for acting as Class II Representatives. The remainder shall be used as approved by the Court for class counsel fees and costs.

The attorneys for the class believe that this settlement is fair, reasonable, and in the best interests of the members of both Class I and Class II.

For purposes of the settlement, a home with more than one individual as owner is treated as a single class member.

VALUE OF THE SETTLEMENT

The claims against Eastern Homes, Inc. and the other Defendants are described above. The value of the components and services include ensuring the homes are brought into compliance with relevant HUD, COMAR and respective County regulations, are Code compliant and help to protect the future safety of the inhabitants and their neighbors. Additionally, the respective homes values are increased on re-sale due to the fact that the homes are Code compliant and can thus be sold as such. The retail value of the components and services to be used in any retrofitting are estimated by Plaintiff's Expert to be \$1500 per multi-section home and \$1200 per single section home and amount to a massive undertaking to be completed over three years on an estimated 800 plus homes as there are estimated to be approximately 400-450 homes in each respective class. Additionally, the Defendants have agreed to pay Class I cash compensation as outlined above. Class Counsel has advanced over \$233,640.02 on behalf of the respective classes, a majority of which constitutes expert consultant fees, to prosecute this matter as well as substantial attorney time. Defendants deny any wrongdoing and any violation of any federal, state or county regulation or building code. There is no allegation of intentional wrongdoing on behalf of Defendant(s) and Defendant(s) have maintained that the appropriate Maryland County expressly approved and instructed Defendant(s) on the manner in which the homes were installed. The insurance carriers for the Defendants have aggressively maintained that they are not liable for any of the damages allegedly occurred herein or even to defend Eastern Homes in this matter.

BENEFITS TO THE CLASS

The attorneys for the class believe that this settlement with the Defendants is fair, reasonable, and in the best interests of the class.

Eastern Homes has agreed to inspect and complete any anchor retro-fit, if required, of all homes belonging to members of Class I and Class II over a three-year period to ensure that the homes' stabilizing devices will comply with all applicable federal and state codes. Eastern Homes will be providing the component parts and service to accomplish this with the assistance of numerous other released parties and/or Defendants.

The attorneys for for Class I and II believe that it is appropriate to trade the speculative possibility of recovering a larger verdict for the prompt and immediate anchor retro-fit that is offered as well as the cash compensation from Eastern Homes et al.

RELEASES, INDEMNITIES AND RECEIPT OF ASSIGNMENT OF CLAIMS

EACH CLASS MEMBER WHO DOES NOT TIMELY EXCLUDE THEMSELVES FROM THIS SETTLEMENT WILL GIVE UP ANY RIGHT TO SUE DEFENDANT EASTERN HOMES, INC., THE OTHER RELEASED PERSONS, AND THEIR RESPECTIVE EMPLOYEES, AGENTS, SUCCESSORS, HEIRS, ASSIGNS AND OTHER RELATED ENTITIES FOR ALL CLAIMS WHICH RELATE TO THE ALLEGED DAMAGES TO EACH CLASS MEMBER AND THEIR PROPERTY.

The parties hereto agree that the settlement embodied in this Stipulation is entered into and made in good faith.

CORRECT ADDRESS

If this Notice was sent to you at an address which is not current, you should contact the lawyers named below to tell them your past and current addresses:

Jon D. Pels
Lawrence J. Anderson
4833 Rugby Avenue
Fourth Floor
Bethesda, MD 20814
(301) 986-5570
(Attorneys for the class)
www.pallaw.com
jpels@pallaw.com
lja@pallaw.com

and

Patrick C. Smith
Michael A. Stodghill
POWERS & FROST, L.L.P.
502 Washington Avenue, Suite 200
Towson, MD 21204
E-mail: psmith@powersfrost.com

(Attorneys for Defendants)

If a class member (such as a spouse who signed your lease with you) has died, you should contact the same lawyers and provide them with that information.

FEES / COSTS

The attorneys for the class will request that the Court award a payment not to exceed a Lodetsar hourly rate and time expended analysis by Class Counsel or 1/3 of the total value of the settlement as well as reimbursement of costs. Class Counsel has advanced over \$233,640.02 on behalf of the respective classes, a majority of which constitutes expert consultant fees, to prosecute this matter as well as substantial attorney time. Any Court-approved amounts will be paid for out of the Class Settlement Amounts and you will not have to pay any of it.

FAIRNESS HEARING

At 9:00 a.m. on October 2, 2008, a hearing will be held in the Circuit Court for Howard County, Maryland, 8360 Court Avenue, Ellicott City, Maryland 21043, on the fairness of the proposed class settlement. At the hearing, the Court will hear any objections and arguments concerning the fairness of the proposed settlement. The hearing will take place before Judge Lenore R. Gelfman.

WHAT YOU CAN DO

1. You have the right to exclude yourself from both the class action and the settlement by filing a written request for exclusion with the Clerk of the Circuit Court for Howard County, Court House, 8360 Court Avenue, Ellicott City 21043, and serving copies of the request on the lawyers listed above, under "Correct Address." Copies may be served on those lawyers by first-class mail, postage prepaid. The request for exclusion must be received by the Clerk of the Court **on or before September 15, 2008** and must refer to the name and number of the case. The Court will exclude from Class I and/or Class II each person who requests exclusion in the manner described above on or before September 15, 2008. **If you do not request exclusion by this date, you will be bound by any judgment entered by the Court, whether favorable or not. The Court's judgment will include all members of Class I and/or Class II who do not request exclusion.**

2. If you do not wish to exclude yourself, have no objection to the settlement, and wish to receive the benefits of the settlement if it is approved by the Court, you need do nothing now. You will automatically be a part of either Class I or Class II, as defined above, and you will get the benefits of the settlement if it is approved, provided you meet all other requirements noted herein or as may be established by the Court.

3. You may file a written objection to the settlement with the Court if you have an objection to the settlement but do not wish to simply exclude yourself from the settlement. You must submit your objection in writing to the Circuit Court for Howard County, Court House, 8360 Court Avenue, Ellicott City, Maryland 21043. Your objection must be received by the

Clerk of the Court **on or before September 15, 2008**. You must also serve copies on the attorneys listed under "Correct Address," above, by the same date. Any objection must include the name and number of the case and a statement of the reasons why you object to the settlement and why you believe that the Court should not approve the settlement. If you do file an objection and wish it to be considered, you must also appear at the hearing before Judge Lenore R. Gelfman on **October 2, 2008 at 9:00 AM**, as described above under "Fairness Hearing." Please note that it is not sufficient to simply state that you object. You must state reasons why the settlement should not be approved.

4. Regardless of whether you wish to be included in the settlement, to exclude yourself from the settlement, or to file an objection to the settlement, you have the right to enter an appearance in this case through a lawyer of your choosing. You are solely responsible for paying any costs and fees that your lawyer may charge to represent you.

IMPORTANT: THE COURT REQUIRES THAT ANY REQUESTS FOR EXCLUSION OR OBJECTIONS BE ACTUALLY RECEIVED BY THE CLERK BY SEPTEMBER 15, 2008. MERELY MAILING THESE MATERIALS ON THAT DATE DOES NOT SATISFY THE REQUIREMENT OF ACTUAL RECEIPT BY THE COURT. IF YOU MAIL A REQUEST FOR EXCLUSION OR OBJECTION TO THE COURT, YOU BEAR THE RISK OF ANY PROBLEM WITH THE MAILED DOCUMENTS AND YOU SHOULD ALLOW AT LEAST 10 BUSINESS DAYS FOR THOSE DOCUMENTS TO BE RECEIVED BY THE COURT. YOU MAY USE PRIVATE OVERNIGHT DELIVERY SERVICES SUCH AS FEDEX OR UPS TO DELIVER THESE MATERIALS TO THE COURT. IT IS STRONGLY RECOMMENDED THAT YOU UTILIZE A DELIVERY METHOD THAT PROVIDES YOU WITH PROOF THE MATERIALS WERE RECEIVED.

If the settlement is not approved, the case will proceed as if no settlement has been attempted. There can be no assurance that if the settlement is not approved, the class will recover more than is provided in this settlement, or indeed anything.

This description of the case is general and does not cover all of the issues and proceedings thus far. **In order to see the complete file, you may contact the attorneys for the class, Jon D. Pels and Lawrence J. Anderson, at the address and phone number noted above under "Correct Address" or you may visit the office of the Clerk of the Circuit Court for Howard, Court House, 8360 Court Avenue, Ellicott City, Maryland 21043.** The Clerk will make the files relating to this lawsuit available to you for inspection and copying at your own expense.

WHAT ELSE YOU SHOULD KNOW

IN ORDER TO OBTAIN THE BENEFITS OF THIS SETTLEMENT YOU DO NOT NEED TO DO ANYTHING AT THIS TIME. You may consult at no expense to you with the attorneys for the class, Jon D. Pels and Lawrence J. Anderson, at the address and phone number noted above. They also will be in contact with you to see if you have any questions about it. You may also consult with other attorneys (at your expense), exclude

yourself from the case, or file objections, as described above. You also have the right to file an appearance in the case if you wish.

This notice is only a summary of the terms of the settlement. You may inspect the entire settlement agreement upon request to counsel for the class.

IF YOU ARE A DEBTOR IN A CHAPTER 13 OR CHAPTER 7 BANKRUPTCY PROCEEDING, SEND A COPY OF THIS NOTICE TO YOUR BANKRUPTCY ATTORNEY. DO NOT ADDRESS ANY QUESTIONS ABOUT THE SETTLEMENT OR THE LITIGATION TO THE CLERK OF THE COURT OR TO THE JUDGE. They are not permitted to answer your questions.

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