

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

TO: Individuals and entities in the Boroughs of Jermyn and Mayfield and/or the Township of Carbondale, who suffered real and/or personal property damages and/or economic damages as a result of the flooding of the Rushbrook Creek, which occurred on September 4-5, 2003.

PLEASE READ THIS NOTICE CAREFULLY. YOUR RIGHTS MAY BE AFFECTED BY THE PROPOSED SETTLEMENT OF THIS CLASS ACTION.

PLEASE DO NOT CONTACT THE COURT OR DEFENDANTS CONCERNING THIS NOTICE

THIS IS NOT A NOTIFICATION THAT YOU HAVE BEEN SUED

This Notice is given pursuant to an Order entered by the 45th Judicial District being the Court of Common Pleas in and for Lackawanna County. The purpose of this Notice is to inform you that a proposed Settlement has been reached in this class action lawsuit, and that you may be a class member that is entitled to participate in the settlement.

WHAT IS THE LAWSUIT ABOUT?

On or about September 4-5, 2003, a band of heavy showers moved across Lackawanna County and dumped approximately 2 to 3 inches of rain on the region. In turn, the heavy rainfall poured into Rushbrook Creek, which caused the Creek and neighboring Lackawanna River to rise and overflow its banks in multiple spots. Flash flooding occurred in parts of Carbondale Township, Mayfield Borough and/or Jermyn Borough and several areas sustained common flood

damage. Plaintiff, Walter Shumski, filed a lawsuit against multiple Defendants alleging that he sustained personal property damage as a result of flooding from Rushbrook Creek which occurred on September 4-5, 2003. He further alleged that the flooding was not as a result of natural causes, but instead occurred due to the negligent conduct of the named Defendants in, among other allegations, allegedly failing to maintain the Creek bed and/or watershed of Rushbrook Creek so as to minimize the excessive accumulation of timber and debris in the Creek, which allegedly enhanced the flooding. The Court has not made any determination with respect to the validity of Mr. Shumski's claims or Defendants' defenses. Defendants deny any and all liability asserted against them.

WHAT ARE THE GENERAL TERMS OF THE SETTLEMENT?

The Named Plaintiff and Defendants have reached a settlement of all claims, subject to the Court's final approval. The Court will hold a hearing to determine whether the settlement will be approved.

The terms of the settlement are, in essence, as follows:

1. The settlement shall be a full and final settlement as to all Class Members, as certified by the Court.
2. The total settlement is in the amount of Two Hundred Thousand Dollars (\$200,000.00).
3. From that amount, attorney's fees and costs in an amount to be approved by the Court and an incentive fee to be paid to the named plaintiff will be paid and the remaining amount will be distributed to the Settlement Class *pro rata*.
4. The Settlement Class consists of all Class Members who have already provided an estimate of the damages sustained as a result of that flood of the Rushbrook Creek on September 4-5, 2003, and/or who provide an estimate or itemized repair bill of such

damages with their timely Proof of Claim, which estimate or repair bill was obtained within a reasonable time after the September 4-5, 2003 flood and which estimate or itemized repair bill is dated within a reasonable time after the September 4-5, 2003 flood.

5. In the event that any class member opts out of this settlement, the settlement shall become null and void at the option of any Defendant.
6. The settlement amount shall be the full amount payable by Defendants under any circumstances, i.e., attorneys' fees, costs, costs of claim administration, payments to class members, etc., are all to be paid from the \$200,000.00 fund.
7. None of the Defendants are required to pay any amount for any reason in excess of their respective and agreed share of the total settlement amount.

You may obtain a copy of the entire proposed settlement agreement and other information regarding this action at www.feldmanshepherd.com or by requesting a copy from Plaintiff's Counsel, identified below.

HOW DO I DETERMINE IF I AM A CLASS MEMBER?

You are a class member if you are an individual and/or entity who:

1. On September 4-5, 2003, owned and/or occupied property in the Boroughs of Jermyn and Mayfield and/or the Township of Carbondale in the blocks that flooded on those dates (see attached map); and who
2. Sustained damage to your real estate and/or personal property and/or economic losses as a result that flood.

WHY DID I RECEIVE THIS NOTICE?

You have received this Notice because you are an individual in the Boroughs of Jermyn or Mayfield or the Township of Carbondale who may have sustained real and/or personal property

damage or other economic loss as a result of the flooding of the Rushbrook Creek on September 4-5, 2003.

IF I AM A CLASS MEMBER HOW DO I PARTICIPATE IN THE SETTLEMENT?

If you are a Class Member and do not wish to be bound by the terms of the proposed settlement, you must fill out the Opt Out Form accompanying this Notice, indicating that you do not want to participate in the Settlement and, therefore, wish to opt out of the Settlement. If you opt out of the Settlement Class, you will not be bound by the proposed settlement and will not be entitled to any relief. (See section below titled Release, Opt-Out Procedure, and Effect of Failure to Opt Out.)

If you are a Class Member (on September 4-5, 2003 you lived in the Boroughs of Jermyn or Mayfield or the Township of Carbondale and you sustained damages in the flood of the Rushbrook Creek on September 4-5, 2003) and if you wish to participate in the Settlement, you must do the following things and send the following documents to Plaintiff's Counsel:

1. completely fill out the attached Proof of Loss form, sign it; date it and send it to Plaintiff's Counsel; and
2. Send in to Plaintiff's Counsel a damage estimate or repair bill(s) that itemizes damaged items and the cost of repair for property damages in the flood of the Rushbrook Creek on September 4-5, 2003. In order to qualify to participate in the Settlement you must have received your estimate or repair bill within a reasonable time after the flood and the estimate or repair bill must be dated within a reasonable time after the flood on September 4-5, 2003.

Your fully completed, signed and dated Proof of Loss form and estimate or repair bill must be received by Plaintiff's Counsel no later than the date that appears on the top of the Proof of Loss form, as evidenced by the postmark.

Please mail your Proof of Loss and estimate or repair bill by the date specified at the top of the Proof of Loss form to Plaintiff's Counsel as follows:

Alan M. Feldman, Esq.
Thomas More Marrone, Esq.
Feldman, Shepherd, Wohlgelernter,
Tanner, Weinstock & Dodig
1845 Walnut Street, 25th Floor
Philadelphia, PA 19103
(215) 567-8300

- DO NOT SEND IN BOTH AN OPT OUT FORM AND A PROOF OF LOSS FORM.
- YOU MUST DECIDE IF YOU QUALIFY TO PARTICIPATE IN THE SETTLEMENT. IF SO, THEN SEND IN EITHER AN OPT OUT FORM IF YOU DO NOT WISH TO PARTICIPATE IN THE SETTLEMENT OR A PROOF OF LOSS FORM IF YOU DO WISH TO PARTICIPATE IN THE SETTLEMENT.
- DO NOT CONTACT DEFENDANTS OR THE COURT. IF YOU HAVE ANY QUESTIONS YOU SHOULD CONTACT PLAINTIFF'S COUNSEL BELOW:

Alan M. Feldman, Esq.
Thomas More Marrone, Esq.
Feldman, Shepherd, Wohlgelernter,
Tanner, Weinstock & Dodig
1845 Walnut Street, 25th Floor
Philadelphia, PA 19103
(215) 567-8300

ATTORNEYS' FEES, COSTS AND EXPENSES, AND NAMED PLAINTIFF'S INCENTIVE

AWARD

Plaintiff's Counsel will request the Court's approval of reasonable compensation for their services, costs and expenses, in the amount of \$66,600.00 plus reasonable costs and expenses. In addition, Plaintiff's Counsel will request the Court's Approval of an incentive award for the named plaintiff, Walter Shumski, in an amount not to exceed \$1000.00. The attorneys' fees and costs and the incentive award will be paid out of the total settlement amount of \$200,000.00.

RELEASE, OPT-OUT PROCEDURE, AND EFFECT OF FAILURE TO OPT-OUT:

Class Members have the opportunity to "opt-out" of the Settlement, to object, or to be heard prior to the Court's consideration of final approval of this Settlement. Absent taking such actions, all class members shall be bound by the Settlement and all orders of the Court relating to the Settlement. If the Settlement is approved by the Court, and you have not elected to opt out of the Settlement, you shall be deemed conclusively to have settled, resolved and released certain claims you had, have or may have in the future against Defendants and each of their current, former and future subsidiaries, divisions, departments, successors, assigns, affiliates and parents, and each of their current, former or future directors, members, officers, elected and appointed officials, employees, heirs, executors, and administrators, and any and all representatives, shareholders, agents, accountants, attorneys, predecessors, successors and assigns of any of the foregoing.

In addition to releasing the named Defendants in the lawsuit (Pennsylvania American Water Company, Theta Land Corporation, Inc., JAFLO, Inc., Pennsylvania Department of Transportation and Pennsylvania Game Commission), the settlement will also release claims against any and all of their current, former, and future subsidiaries, commissions, boards, departments, divisions, successors, assigns and affiliates and their current, former or future directors, officers, commissioners, members, elected and appointed officials, and employees, and their heirs, executors, and administrators, and any and all representatives, shareholders, agents, accountants, attorneys, predecessors, successors and assigns of any of the foregoing.

If you opt out of the Settlement, you will not receive any benefits of the Settlement and will not be bound by its terms. If you wish to opt out of the Settlement, you must sign and return to Plaintiff's Counsel a letter requesting your exclusion from the Settlement or sign and return to Plaintiff's Counsel the accompanying Opt Out Form. This request to opt out must be postmarked no later than the date set forth on the Opt Out Form, as evidenced by its postmark. The opt-out request must be signed by you and include your name, current address, and telephone number. Please note, in the event that any class member elects to "Opt-Out" of the Settlement Class, Defendants have the exclusive right, exercisable in their sole discretion, to void this Settlement.

This Notice is not the Settlement Agreement and merely provides summary information regarding the Settlement. The Orders of the Court, rather than the Settlement Agreement, control the rights, interests and obligations of the parties. If you have any questions regarding this Notice, the Opt-Out Procedure, the Order, or the Settlement Agreement, you should contact Plaintiff's Counsel or refer to the Frequently Asked Questions section for the Rushbrook Creek Flood Settlement information on Plaintiff's Counsel's website at www.feldmanshepherd.com.

If you do not follow the procedures and deadlines that are described in this Notice, you may lose significant legal rights, including but not limited to the right to have your objections considered by the Court.

FAIRNESS HEARING AND COURT APPROVAL

The Court will hold a hearing to consider the fairness, reasonableness and adequacy of the proposed Settlement in Courtroom No. 3, 2nd floor, Lackawanna County Courthouse, 200 N. Washington Avenue Scranton, PA 18503, on Monday, January 25, 2010 at 9:30 a.m. (the “Fairness Hearing”), or such other time as scheduled by the Court. If the date of the Fairness Hearing is rescheduled, you will not receive notice of the rescheduled date, and it is your responsibility to obtain the new date by communicating with Plaintiff’s Counsel.

At the Fairness Hearing, the Court will determine whether the proposed Settlement should be approved as fair, reasonable and adequate; whether the proposed Settlement Class should be certified; and any other matters that may be properly brought before the Court at that time. You may choose to appear in person or through an attorney (at your own expense) at the Fairness Hearing and be heard in support of, or in opposition to, the terms of the Settlement. You may also submit written objections to the proposed Settlement, which shall be heard by the Court.

If you wish to object to the Settlement, you may submit your objections in writing, along with the reasons for such objections, to Plaintiff’s Counsel at the address below on or before **October 24, 2009**. If you do so, Plaintiff’s Counsel will serve Defendants’ Counsel and file with the Court copies of all such objections together with a statement of reasons, if any, why such objections should be overruled. You may also raise objections orally at the Fairness Hearing. If you intend to appear at the Fairness Hearing, you may (but are not required to) file with the Clerk of Judicial Records, Civil Division, Brooks Building, 436 Spruce Street, Scranton, PA 18503, a

notice of intention to appear, together with a statement that indicates the basis for your opposition along with any supporting documentation, including evidence that you are a member of the Settlement Class. If you do so, you should serve copies of such notice, statement and documentation, together with copies of any other papers or briefs filed with the Court, either in person or by mail as follows:

Alan M. Feldman, Esq.
Thomas More Marrone, Esq.
Feldman, Shepherd, Wohlgelernter,
Tanner, Weinstock & Dodig
1845 Walnut Street, 25th Floor
Philadelphia, PA 19103

Any class member who fails to object in the manner provided above shall be deemed to have waived such objections and shall be forever barred from making any objections (by appeal or otherwise) to the Settlement. Any class member who is satisfied by the Settlement need not appear at the Fairness Hearing. Any class member who has filed objections may, but need not, appear at the Fairness Hearing.

EXAMINATION OF PAPERS

This notice is only a summary and does not describe all the details of the proposed Settlement, the Settlement Agreement, or the proceedings in the lawsuit generally. For complete information, or if you wish to discuss this lawsuit or have any questions concerning this notice or your rights or interests with respect to these matters, please contact Plaintiff's Counsel:

Alan M. Feldman, Esq.
Thomas More Marrone, Esq.
Feldman, Shepherd, Wohlgelernter, Tanner, Weinstock & Dodig
1845 Walnut Street, 25th Floor
Philadelphia, PA 19103
(215) 567-8300
afeldman@feldmanshepherd.com

tmarrone@feldmanshepherd.com

In addition, you may review complete files of papers submitted in this case during regular business hours at the Office of the Clerk of Judicial Records, Civil Division, Brooks Building, 436 Spruce Street, Scranton, PA 18503. Certain documents related to the proposed settlement and information regarding it can also be found at Plaintiff's Counsel's website at www.feldmanshepherd.com.

DO NOT CALL THE COURT OR DEFENDANTS