

Naperville Area Homeowners Confederation

P.O. Box 5245

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www.napervillehomeowners.org

January 10, 2009

Mayor George Pradel
Councilman James Boyajian
Councilman Joseph Dunn
Councilman Robert Fieseler
Councilman Richard Furstenau
Councilman Douglas Krause
Councilman Kenn Miller
Councilman John Rosanova
Councilman Grant Wehrli

City of Naperville
400 S. Eagle Street
Naperville, IL 60540

RE: Litigation and City Expenditures of Tax Money

Dear Mayor Pradel and City Councilmen:

Recently a few members of the Confederation Board met with individual councilmen, the Mayor and the City Manager to convey our Board of Director's concern about the escalating costs of the Furstenau lawsuit. Our understanding is City Attorney Margo Ely ordered the cessation of these private, one-on-one conversations upon advice from the City's outside counsel, even though we had no intentions of discussing the facts or merits of the case, much less matters subject to the attorney-client privilege.

The Confederation's objective in holding these meetings was to strongly urge the parties to the lawsuit to enter into alternative dispute resolution proceedings in light of the financial burden on Naperville homeowners for the high, ongoing costs and legal fees arising from that litigation, especially during this period of reduced revenue that has forced reductions in City services. We attempted to meet one-on-one with each of you because of our understanding and appreciation that the City prides itself on being accessible and responsive to its residents. Since the Confederation represents over 100 homeowner associations, we believed it was incumbent upon us to make you aware of

our concerns about the impact this litigation has upon Naperville residents, from the very young up to and including our senior citizen population.

The recent announcement that the City has been dismissed as a named defendant does not diminish our concern in this matter, as the City may still be held legally and financially liable for the actions of its five current and one former employee, and also for the costs of their defense.

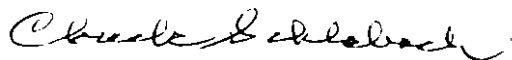
The key points from our perspective are:

1. The Confederation is critically concerned about the increasing cost of defending the lawsuits and the potential financial effect this is having and will continue to have on tax payers in Naperville.
2. The Confederation is neither expressing an opinion on the merits of the litigation nor does it favor one party over the other.
3. City services are being cut, staff replacement is being curtailed and employees are being laid off due to an expected \$11 million plus deficit in 2009.
4. The expenditure of such vast sums of money for litigation cannot be reasonably justified if this litigation might be settled by the parties meeting in good faith in an alternate resolution process. Our constituents will not benefit from one new or existing City service from the ongoing expenditure of their tax money on this litigation. In fact, continuing the litigation without both sides making a concerted effort to settle the litigation is counter productive and irresponsible.

Therefore, the Confederation's Board of Directors strongly urge both sides, the City defendants and Mr. Furstenau, to immediately enter into an alternative method (i.e. binding arbitration or mediation) to resolve this litigation and thereby eliminate the further unproductive use of residents' tax dollars.

Sincerely,

For the Naperville Area Homeowners Confederation Board of Directors



Chuck Schlabach
President

cc: City Manager Doug Krieger
City Attorney Margo Ely
Current Correspondence City Council, c/o Ms. Reggie Lynch, Executive Assistant
NAHC Board of Directors
NAHC Member Associations