

# EXHIBIT “4”

U.S. DISTRICT COURT FOR THE EASTERN DISTRICT OF LOUISIANA

**If You Owned, Leased or Occupied a Condominium at Villa Lago at Renaissance Commons in Boynton Beach, Florida, A Lawsuit And Settlement May Affect You.**

*A Federal Court authorized this notice. This is not a solicitation from a lawyer.*

- Please read this notice carefully. Your legal rights are affected whether you act or don't act.

There is a lawsuit involving damages caused by Chinese Drywall that was installed in the condominiums at Villa Lago at Renaissance Commons, Boynton Beach, Florida.

- You are a member of the Settlement Class if you are (1) a person or entity who owned, leased or occupied a condominium located at Villa Lago at Renaissance Commons in Boynton Beach, Florida, regardless of whether or not you own, lease, or occupy the unit as of the date of this Notice, (2) the Villa Lago Condominium Association at Renaissance Commons, Inc., or (3) a person or entity who sustained or claims to have sustained damages of any nature or kind as a result of the alleged manufacture, sale, distribution, use, installation or remediation of Chinese Drywall at Villa Lago at Renaissance Commons.
- A settlement has been reached with Defendants Coastal Construction of Palm Beach, Inc., and related entities, Precision Drywall and its related insurers, Banner Supply Co., and related entities, Knauf Plasterboard (Tianjin) Co. Ltd, and related entities, and several of the Defendants' insurers.
- The Settlement amount is Seven Million Two Hundred Thousand Dollars (\$7,200,000).

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT AND SETTLEMENT</b>	
<b>EXCLUDE YOURSELF</b>	You will not be included in the ongoing lawsuit or Settlement. You will receive no benefits, but you will retain any rights you currently have to sue Coastal about the claims in this case.
<b>DO NOTHING</b>	You will be included in the litigation and be eligible to file a claim for a payment (if you qualify) at a later date. You will give up your rights to sue Coastal about the claims in this case.
<b>OBJECT TO SETTLEMENT</b>	If you do not exclude yourself, you can write to the Court explaining why you disagree with the Settlement.

<b>GO TO THE HEARING</b>	Ask to speak in Court about your opinion of the Settlement.
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These rights and options – **and the deadlines to exercise them** – are explained in this Notice.

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## BASIC INFORMATION

### 1. What is this Notice about?

This Notice is to inform you about the status and settlement of ongoing litigation which may affect your rights. You have the right to know about the lawsuit and about your legal rights and options before the Court or a jury decides whether the claims being made against the Defendants on your behalf are correct, and whether to approve the Settlement.

The Court in charge is the United States District Court for the Eastern District of Louisiana. The case is styled *Hobbie, et al. v. RCR Holdings II, LLC, et al.*, No. 10-1113 (E.D. La.) (Fallon, J.), originally filed in Florida Circuit Court and subsequently removed to the United States District Court for the Eastern District of Louisiana and transferred to be part of a multidistrict litigation titled *In re: Chinese Manufactured Drywall Products Liability Litigation*, MDL No. 2047.

### 2. What is the lawsuit about?

This action arises out of allegedly defective drywall that was manufactured in China (“Chinese drywall”), distributed throughout the United States, and installed in condominiums at Villa Lago at Renaissance Commons in Boynton Beach, Florida.

This litigation was brought in 2009 in Florida state court and was styled *Wendy Lee Hobbie et al. v. RCR Holdings, II, LLC, Coastal Construction of South Florida d/b/a Coastal Condominiums, et al.*, Case No. 50 2009CA032471 (Cir. Ct. Palm Beach County). The action was removed to federal court under the Class Action Fairness Act and transferred and consolidated with thousands of other similar cases regarding the alleged defective Chinese drywall pending in the United States District Court for the Eastern District of Louisiana before the honorable Judge Fallon.

This litigation seeks relief on behalf of persons and entities with claims arising out of Chinese Drywall installed at Villa Lago at Renaissance Commons in Boynton Beach, Florida.

### 3. What is Chinese Drywall?

Chinese Drywall refers to drywall imported from China which contains extraneous metals and minerals. Under certain environmental conditions (typically warm, humid climates), the drywall will emit sulfur gasses. These gasses create a noxious odor and corrode copper and other metal surfaces, which can then damage appliances and electronics.

### 4. What is a class action?

In a class action, people called class representatives sue on behalf of a group or a “class” of people who have similar claims. In a class action, the court resolves the issues for all class members except those who exclude themselves from the class.

## WHO IS INCLUDED

### 5. Who are the Defendants?

The Settling Defendants are Coastal Construction of South Florida, Inc., and related entities, Precision Drywall, Inc. and its related insurers, Banner Supply Co., and related entities, Knauf Plasterboard (Tianjin) Co. Ltd, and related entities, and several of the Defendants' insurers.

### 6. How do I know if I am in the Class?

You are a member of the Class if you are a person or entity who owned, leased or occupied a condominium located at Villa Lago at Renaissance Commons in Boynton Beach, Florida, regardless of whether or not you own, lease, or occupy the unit as of the date of this Notice, the Villa Lago Condominium Association at Renaissance Commons, Inc., and all persons and entities who sustained or claim to have sustained damages of any nature or kind as a result of the alleged manufacture, sale, distribution, use, installation or remediation of Chinese Drywall at Villa Lago at Renaissance Commons ("Class Members" or "Settlement Class Members").

Excluded from the Settlement Class are any person, firm, trust, corporation, or other entity related or affiliated with the Settling Defendants and Settling Insurers including, without limitation, persons who are officers, directors, employees, associates or partners of the Defendants and Insurers.

## THE SETTLEMENT'S BENEFITS

### 7. What does the Settlement provide?

The Settlement provides for a payment of \$7,200,000 to the Villa Lago Settlement Fund, which, in combination with payments from other related settlements, shall be used to remediate condominiums at Villa Lago and provide cash payments to Class Members. The cost to administer the Settlement as well as attorneys' fees will come out of the Settlement Fund (*see* Question 18).

### 8. What benefits do I get from the Settlement?

Each Class Member may receive remediation of their condominium, cash compensation, or a combination thereof. Your eligibility for these benefits depends on your Class Member status. For a summary of these settlement benefits, please see the chart, "Summary of Settlement Benefits for Villa Lago Class Members," available at <http://www.laed.uscourts.gov/Drywall/Settlements.htm>.

In order for your condominium to be remediated, and/or to receive a payment, you will need to file a valid claim form when the claims period begins. A notice about the claims process will be made available as ordered by the Court.

If you want to receive a notice about the claims process, you should register by calling Whitfield Bryson & Mason LLP at (202) 429-2290

**9. When will my condominium be remediated?**

Remediation will not begin on your condominium until after the Settlement becomes final.

**10. When will I receive a payment?**

Payment from the Settlement Fund will not be made until after the Settlement becomes final. If the Settlement is approved, the Court will enter an order and judgment dismissing the lawsuit to the extent that it asserts claims against the Defendants, and releasing the Defendants from all claims which were, or could have been, asserted by you or on your behalf in the Litigation.

If the Court approves the Settlement, each Class Member registered with Whitfield Bryson & Mason LLP (*see* Question 8) who did not opt out from the Settlement Class will receive a Court Notice with final instructions.

**REMAINING IN THE CLASS**

**11. What am I giving up if I stay in the lawsuit?**

You will give up your right to sue any of the Defendants on your own for the claims in this case unless you exclude yourself from the Class. You will also be bound by any decision by the Court relating to the lawsuit and Settlement.

In return for paying the Settlement amount, the Defendants will be released from all claims relating to the facts underlying this lawsuit, as more fully described in the Settlement Agreement. The Settlement Agreement describes the released claims in detail, so read them carefully since those descriptions are binding on you. If you have any questions, you can talk to Settlement Class Counsel for free, or you can, of course, talk to your own lawyer if you have questions about what this means. The Settlement Agreement and other relevant documents are available at <http://www.laed.uscourts.gov/Drywall/Settlements.htm>.

**EXCLUDING YOURSELF FROM THE CLASS**

**12. How do I get out of the Class?**

To exclude yourself from the Class, you must send a request, in writing that you wish to be excluded from this Settlement. Your request for exclusion ***must*** include your name, your mailing address, your e-mail address, if any, your telephone number and your signature (it must be signed by you, any request made verbally or signed by your counsel will not count). You must mail your exclusion request ***no later than*** \_\_\_\_\_ to:

Gary E. Mason  
Whitfield Bryson & Mason LLP  
1625 Massachusetts Ave., NW, Suite 605  
Washington, DC 20036

Addison J. Meyers  
Mintzer Sarowitz Zeris Ledva & Meyers LLP  
The Waterford at Blue Lagoon  
1000 N.W. 57th Court, Suite 300  
Miami, Florida 33126

**13. If I don't exclude myself, can I sue any of the Defendants for the same thing later?**

No. Unless you exclude yourself, you give up any right to sue the Defendants for the claims in this case.

**14. If I exclude myself, can I still get benefits?**

No. If you exclude yourself, you will not get any benefit as a result of the Settlement, trial or judgment in this case.

**OBJECTING OR COMMENTING ON THE SETTLEMENTS**

**15. How do I object or comment on the Settlement?**

If you have comments about, or disagree with, any aspect of the Settlement, you may express your views by writing to the addresses below. The written comments or objections must include your name, mailing address, e-mail address, if any, telephone number, the case name and number (*In re: Chinese Manufactured Drywall Products Liability Litigation*, MDL No. 2047: relating to *Hobbie, et al. v. RCR Holdings II, LLC, et al.*), a brief explanation of your reasons for objecting, including any written material on which your objection is based on, and your signature (any request made verbally or signed by your counsel, alone, will not count). The response must be postmarked ***no later than*** \_\_\_\_\_ and mailed to:

Clerk of Court  
United States District Court for the Eastern District of Louisiana  
500 Poydras Street  
New Orleans, Louisiana 70130

Gary E. Mason  
Whitfield Bryson & Mason LLP  
1625 Massachusetts Ave., NW, Suite 605  
Washington, DC 20036

Addison J. Meyers  
Mintzer Sarowitz Zeris Ledva & Meyers LLP  
The Waterford at Blue Lagoon  
1000 N.W. 57th Court, Suite 300  
Miami, Florida 33126

**16. What is the difference between excluding myself (from the Class) or objecting to the Settlement?**

If you exclude yourself from the Class, you are telling the Court that you do not want to be a part of this case and, therefore, you will not receive any benefits from it. Objecting simply means telling the Court that you don't like something about the Settlement. You can object only if you remain in the Class. If you exclude yourself, you have no basis to object to the Settlement because the case no longer affects you.

## THE LAWYERS REPRESENTING YOU

### 17. Do I have a lawyer representing me?

The Court has appointed Gary E. Mason and Daniel K. Bryson of Whitfield Bryson & Mason LLP, Joel R. Rhine of Rhine Law Firm, P.C., Adam Linkhorst of Linkhorst & Hockin P.A., and Gregory S. Weiss of Leopold Law, P.A. as Settlement Class Counsel for the Class. You do not have to pay Class Counsel separately. The attorneys will be paid by asking the Court for a share of the Settlement proceeds or recovery obtained. If you want to be represented by your own lawyer, and have that lawyer appear in court for you in this case, you may hire one at your own expense.

### 18. How will the lawyers be paid?

At a later date, Class Counsel will ask the Court for attorneys' fees based on their work on this litigation. Pursuant to the Settlement Agreement, the parties have agreed to attorneys' fees of \$2,670,960.62 and costs of \$380,946.00 for a total of \$3,051,906.63. Class Counsel may seek additional attorneys' fees from any other settlement or recovery obtained. Any payment to the attorneys will be subject to Court approval and the Court may award less than the requested amount. The fees, costs, expenses and awards that the Court orders, plus the costs to administer the Settlement, will come out of the Settlement Fund.

## THE FAIRNESS HEARING

### 19. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Fairness Hearing at   :   m,    time on                      at the United States District Court for the Eastern District of Louisiana, Courtroom C468, 500 Poydras Street, New Orleans, LA 70130. The hearing may be moved to a different date or time without additional notice, so it is a good idea to check <http://www.laed.uscourts.gov/Drywall/Drywall.htm>. At this hearing the Court will consider whether the Settlement is fair, reasonable and adequate. If there are objections or comments, the Court will consider them at this time. After the hearing, the Court will decide whether to approve the Settlement. We do not know how long these decisions will take.

### 20. Do I have to come to the hearing?

No. Class Counsel will answer any questions the Court may have. But you are welcome to come at your own expense. If you send an objection or comment, you don't have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay another lawyer to attend, but it's not required.

### 21. May I speak at the hearing?

If you would like to speak at the hearing, you must send a notice of intent to appear. This letter must state whether you or your lawyer intends to appear at the Fairness Hearing. It must also identify any witnesses you intend to call, the subject area of the witnesses' testimony, and all documents to be used or offered into evidence, at the Fairness Hearing. Be sure to include your name, mailing address, e-mail address, if any, telephone number, the case name and number (*In re: Chinese Manufactured Drywall Products Liability Litigation*, MDL No. 2047: relating to *Hobbie, et al. v. RCR Holdings II, LLC, et al.*), and your signature.



Your Notice of Intent to Appear must be postmarked *no later than* \_\_\_\_\_ and must be sent to the addresses listed in Question 15. You cannot speak at the hearing if you exclude yourself from the Class.

### GET MORE INFORMATION

#### **22. Where can I get more information?**

The Notice summarizes the lawsuit and the Settlement. You can get more information about the lawsuit and Settlement at <http://www.laed.uscourts.gov/Drywall/Settlements.htm>, by calling Whitfield Bryson & Mason LLP at (202) 429-2290, or writing to Whitfield Bryson & Mason LLP, 1625 Massachusetts Ave., NW, Suite 605 Washington, DC 20036.

## Summary of Settlement Benefits for Villa Lago Class Members

Units with Knauf (KPT) Chinese Drywall				
Subclass	Remediation	Environmental Certification	All benefits available, if any, through participation in the Knauf Settlement, the Banner Settlement, and the Global Settlement	Benefits from the Villa Lago Settlement Fund *
Current Owners who are "Hobbie" Plaintiffs and <u>Occupy</u> a Unit	✓	✓	✓	
"Hobbie" Plaintiffs who <u>Formerly</u> Owned a Unit			✓	
Current Owners who are Not "Hobbie" Plaintiffs	Remediation subject to Section 2.6.* ✓	✓	✓	
Tenants of a Unit with KPT Chinese Drywall			✓	

Units with Non-KPT Chinese Drywall				
Subclass	Remediation	Environmental Certification	All benefits available, if any, through participation in the Banner Settlement and the Global Settlement	Benefits from the Villa Lago Settlement Fund *
Current Owners who are "Hobbie" Plaintiffs and <u>Occupy</u> a Unit	✓	✓	✓	✓
"Hobbie" Plaintiffs who <u>Formerly</u> Owned a Unit			✓	✓
Current Owners who are Not "Hobbie" Plaintiffs	Remediation subject to Section 2.6.* ✓	✓		
Tenants of a Unit with Non-KPT Chinese Drywall			✓	

\* Claims may be made for relocation, lost rent, or lost equity. Benefits to be paid as close as possible to those the Class Member would have received had he/she/it participated in the Knauf Settlement. If a shortfall exists in the Villa Lago Settlement Fund, then the benefits will be reduced pro rata.

Units with Non-Reactive Drywall		
Subclass	Environmental Certification	\$150,000 (Total Aggregate) from the Villa Lago Settlement Fund
Current Owners who are "Hobbie" Plaintiffs and Occupy a Unit, and RCR	✓	✓
"Hobbie" Plaintiffs who Formerly Owned a Unit		✓
Current Owners who are Not "Hobbie" Plaintiffs	✓	
Tenants of a Unit with Non-Reactive Drywall		

Units Owned by RCR					
Subclass	Remediation	Environmental Certification	All benefits available, if any, through participation in the Knauf Settlement, the Banner Settlement, and the Global Settlement	All benefits available, if any, through participation in the Banner Settlement and the Global Settlement	Benefits from the Villa Lago Settlement Fund *
RCR's Units with KPT Chinese Drywall	✓	✓	✓		
RCR's Units with Non-KPT Chinese Drywall	✓	✓		✓	✓