

PRESS RELEASE

RE: VILLAGE OF JOHNSBURG, an Illinois municipal corporation v. STATE BANK, an Illinois bank corporation

The Village of Johnsburg filed a Complaint in the 22nd Judicial Circuit Court against State Bank related to the Bank's failure to provide for the completion of outstanding public improvements in Whispering Ridge Subdivision. State Bank became the successor developer for the subdivision when it pressured the previous developer in 2009 to turn over the control and ownership of the development. State Bank has now refused to extend security or complete the outstanding improvements in the development. As a result, the Village decided that it has no alternative but to pursue legal action. "The Village Board and I are greatly disappointed", said Village President Ed Hettermann, "The Village has a long-term history of doing business with the State Bank and we are shocked with their decision not to honor their obligations in this matter".

The development, consisting of 75 acres with 45 lots, received final plat approval in 2007. Much of the infrastructure was completed at that time, however final paving of the roads along with sidewalk improvements and landscaping still remain incomplete. "Upon taking over as developer, the State Bank sold off 43 of the 45 lots, benefitting from the sale proceeds, but is now refusing to address the outstanding liabilities associated with the development", said President Hettermann. "When they took over as the developer they assumed and became responsible for these improvements.

The State Bank's refusal to complete the improvements is an effort to place the cost burden squarely on the residents of Johnsburg, which is completely unacceptable," said Village President Ed Hettermann. "The Village Board and I have an obligation to protect the interests of our residents and we would be derelict in our duties if after not being able to amicably resolve this matter we did not pursue legal action against the bank" he added.

The Village Board's decision to take legal action was unanimous and came after several attempts by the Village to amicably resolve this matter.