Village of Manteno
Bank Statement Summary
Cash Summary
2025 Fiscal

#	Account	Bank		Total Credits	Interest Included in Credits for Homestar Bank Only	Total Debits	Beginning Balance	Ending Balance	Net Activity	Beginning Less Ending Balance
0001	[redacted]	HomeStar/Midland	TIF #1	11,307.07	20.05	3,123.21	15,532.57	25,726.48	10,2[illegible]	10,233.91
0002	[redacted]	HomeStar/Midland	General Fund Checking	10,883,585.57	355.73	11,002,578.75	160,239.36	41,678.56	([illegible]8,357.48)	(118,557.18)
0003	[redacted]	The Illinois Funds	Motor Fuel Tax Fund	416,[illegible]5.74	25,643.02	530,000.00	715,841.00	177,806.66	(538,035.34)	(538,725.24)
0004	[redacted]	The Illinois Funds	WPCC Equipment Replacement	475,000.00	[illegible]			478,[illegible]20	479,037.28	478,107.28
0005	[redacted]	HomeStar/Midland	Motor Fuel Tax Fund Savings	360,000.00	[illegible]	961,419.37	70,4[illegible]	188,135.25	118,720.29	118,720.28
0006	[redacted]	HomeStar/Midland	Investment - HomeStar General Fund	3,910,885.15	50.89	2,000,473.33	89,438.55		(89,438.55)	(89,438.55)
0007	[redacted]	HomeStar/Midland	Investment - Recapture Fees		123.07	518,378.30	518,[illegible]53		(518,[illegible]53)	(518,[illegible]53)
0008	[redacted]	HomeStar/Midland	Watersale Reserve Savings		88.28	279,012.74	279,530.18		(279,548.48)	(279,548.48)
0009	[redacted]	HomeStar/Midland	Payroll Checking	4,015,828.14	52.64	4,012,643.16	37,857.21	41,100.00	3,235.87	3,235.87
0010	[redacted]	The Illinois Funds	IL Funds E-Pay	48,080.07	1,936.86	540.30	14,738.14	64,547.17	49,748.03	48,748.00
0011	[redacted]	HomeStar/Midland	FEMA	5,305.00	10.13	9,194.38	8,545.35	5,977.07	(3,568.33)	(3,568.33)
0012	[redacted]	Iroquois	MFT Water Capital	1,907,861.80		4,059,318.33	3,514,831.18	1,359,268.37	(2,155,734.80)	(2,155,734.80)
0013	[redacted]	HomeStar/Midland	Recording Fees							
0014	[redacted]	HomeStar/Midland	Village Events	113,343.[illegible]	[illegible]	[illegible]	28,278.18	51,188.[illegible]8	(37,577.60)	(37,577.50)
0015	[redacted]	The Illinois Funds	General Fund State Receipts	3,688,136.80	27[illegible]24.91		478,280.37	2,435,551.08	8,957,281.[illegible]	8,957,281.71
0016	[redacted]	HomeStar/Midland	Capital Projects Interest Fund Checking	4,285,397.73	[illegible]	[illegible]	72,708.38	500,255.10	428,048.44	428,048.44
0017	[redacted]	HomeStar/Midland	Capital Projects Fund ICS Sweep	306,153.48	[illegible]	[illegible]	0.01		(0.01)	(0.01)
0018	[redacted]	HomeStar/Midland	Drug Enforcement I		1.04		1,108.23	[illegible]	1.04	1.04
0019	[redacted]	HomeStar/Midland	Savings - General Fund	[illegible]8,878.54	[illegible]	[illegible]	347,087.40	489,793.88	142,700.22	142,700.22
0020	[redacted]	HomeStar/Midland	Golf Course							
0021	[redacted]	HomeStar/Midland	TIF #1			1.75	1.76		(1.76)	(1.76)
0022	[redacted]	HomeStar/Midland	Drug Enforcement Savings							
0023	[redacted]	HomeStar/Midland	S&A Equipment Capital	184,321.22	156.32	110,502.20	130,130.21	214,407.75	84,277.54	84,277.54
0024	[redacted]	HomeStar/Midland	Public Interest Checking	2,418,395.08	181.43	2,665,877.10	250,024.59		(247,414.18)	(250,024.59)
0025	[redacted]	HomeStar/Midland	ICS Public Funds	111.83	37,705.00	2,418,396.28	2,385,218.10	0.01	(2,385,218.09)	(2,385,218.09)
0026	[redacted]	HomeStar/Midland	Video Gaming							
0027	[redacted]	HomeStar/Midland	Storm Sewer Capital / WPCC Equip	43,319.80	10.16	10,774.93	6,369.14	[illegible]	12,484.80	12,654.80
0028	[redacted]	HomeStar/Midland	Escrow Impact Fees	30,477.00	17.66	38,388.00	38,543.71	[illegible]	(7,851.34)	(7,851.34)
0029	[redacted]	HomeStar/Midland	Special Projects	21,029.47	26.00	33,624.73	41,187.41	20,298.24	(11,889.17)	(11,889.17)
0030	[redacted]	HomeStar/Midland	Police Department Surcharge	[illegible]	10.78	312.00	11,751.85	11,462.63	(281.22)	(281.22)
0031	[redacted]	HomeStar/Midland	GOB GC Series 2013							
0032	[redacted]	HomeStar/Midland	Legacy Fom	1,473,100.40	1,324.15	797,402.94	267,545.50	[illegible]	[illegible]	[illegible]
0033	[redacted]	HomeStar/Midland	Tax Reimbursement Account		0.05	0.05	[illegible]	49.31		
0034	[redacted]	HomeStar/Midland	DUI Enforcement	1,352.74	3.39		3,274.81	5,170.94	1,896.13	1,896.13
0035	[redacted]	HomeStar/Midland	CDARS Statement							
0036	[redacted]	HomeStar/Midland	CDARS Statement							
0037	[redacted]	National Bank of St. Anne	CDARS Statement							
0038	[redacted]	National Bank of St. Anne	07/25/18 – 07/23/20							
0039	[redacted]	National Bank of St. Anne	IntraFi Cash Service or ICS	500,000.00	39,484.51	7,177,994.50	7,067,428.58	492,820.57	[illegible]	[illegible]
0040	[redacted]	HomeStar/Midland	Police Seizure Funds	2,798.40	[illegible]	[illegible]	4,829.10	4,987.27	158.17	158.12
				[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Balance Per Financial Statement

General Fund	2,437,951.00
Investments	[illegible]017,080.00
	[illegible]2,450,050.00

INVESTMENT OF SEWER SYSTEM PROCEEDS WITH HOMESTAR BANK

Background

This section discusses the sale of the Manteno Sewer System and the Village's placement of those proceeds during the period that HomeStar Financial Group (including HomeStar Bank) was negotiating to merge with Midland States Bancorp, Inc.

As noted above, on February 20th, 2017, the Village enacted a Village Investment Policy (Ordinance 17-30). Shortly thereafter, on April 17, 2017, Sheila Martin was appointed Treasurer of Manteno. Ordinance 18-30 amended the investment policy to reflect new Village funds and changes in state law.

On September 18, 2017, the Village approved Ordinance 17-17 to sell its Sewer System to Aqua for $24.335 million.

In late June and early July 2018, the Village placed the $25.3 million in sales proceeds it received from Aqua at HomeStar Bank, where the funds remained until HomeStar Bank's merger with Midland States Bancorp, Inc., which was finalized a year later. These funds were in addition to other Village Accounts at HomeStar bank.

HomeStar Sale

2017 HOMESTAR AUDITED FINANCIAL STATEMENT OPINION

On March 20, 2018, HomeStar Financial Group, Inc published its Consolidated Financial Report for the year ended December 31, 2017.

The auditor expressed a "going concern" opinion:

> ***Emphasis of Matter Regarding Going Concern***
>
> *The accompanying consolidated financial statements have been prepared assuming HomeStar Financial Group, Inc. and Subsidiary will continue as a going concern. As discussed in Note 9 to the consolidated financial statements, as of December 31, 2017, the Company was deferring interest payments on its junior subordinated debentures. The maximum allowable*

deferral period under the instruments ended in 2015 and the Company was in default under the terms of the junior subordinated debenture agreements. As discussed in Note 9 to the consolidated financial statements, the Company entered into a supplemental indenture with the holders of a portion of the subordinated debentures in default to extend the deferral period until June 30, 2019; however, a portion of the subordinated debentures remains in default. On December 29, 2017, an agent for holders of the junior subordinated debentures remaining- in default filed a lawsuit demanding full repayment of all amounts due under the terms of the agreement. The Company is presently involved in negotiations with the agent. The ability of the Company to continue as a going concern is dependent on the ability of management to negotiate terms with holders of the junior subordinated debentures in default whereby they agree not to exercise their rights and remedies under default and economic conditions allow the Company and its subsidiary to remain profitable, Management's plans in regard to these matters are described in Note 20. The accompanying consolidated financial statements do not include any adjustments that might result from the outcome of these uncertainties.

2017 Financial Statement Footnotes

The Financial Statement Footnotes included the following notes regarding the bank's financial condition as of December 31, 2017.

Note 9 Discussed the Borrowings:

Note 9 -Borrowings

The Bank had no advances from the Federal Home Loan Bank of Chicago (the "FHLB") outstanding as of December 31, 2017, or 2016. At December 31, 2017, the Bank had the ability to enter into advances of $9,147,000 with the FHLB and has pledged $9,272,000 of investment securities - available for sale for that available borrowing capacity.

The Company invested $480,000 and formed two statutory trusts, Trust I in March 2000 and Trust II in December 2005, for the purpose of issuing trust preferred securities of $9,500,000 and $6,000,000, respectively, as part of *pooled offerings of such securities. The Company issued junior subordinated debentures aggregating $15,980,000 to the trusts in exchange for the proceeds of the offering. The debentures represent the sole assets of the trusts. Trust I debentures must be redeemed no later than 30 years from the date of issue but may be redeemed at face value, in whole or in part, any time beginning 10 years from the date of issue. Trust II debentures must also be redeemed no later than 30 years from the date of issue but may be redeemed at face value, in whole or in part, any time beginning five years from date of issue. The costs associated with the issuance of the junior subordinated debentures are being amortized over 30 years.*

Trust I debentures pay interest semiannually based on a fixed rate of 10.875 percent. Trust II debentures pay interest quarterly based on a variable rate that resets quarterly, equal to the sum of the three-month LIBOR plus 1.55 percent. At December 31, 2017 and 2016, the contract interest rate on Trust II debentures was 3.244 percent and 2.527 percent, respectively.

During 2010, the Company decided to defer the payment of interest on all $15,980,000 of the junior subordinated debentures, in accordance with the provisions of the related agreements. As a result, the Company has not made any of the regularly scheduled interest payments since this decision. At December 31, 2017 and 2016, deferred interest payable on the junior subordinated debentures totaled $15,146,298 and $12,630,013, respectively. The five-year deferral period, as allowed under the provisions of Trust I and Trust II and during which time interest accrues on a compounding basis, ended on March 8, 2015 and March 15, 2015, respectively.

On February 7, 2017, the Company entered into a supplemental indenture with the holders of Trust I to extend the deferral period to June 30, 2019, and, as such, is no longer in default on Trust I. As part of the supplemental indenture, the holders of the Trust I subordinated debentures granted the Company, or its designees, a right to purchase all of the Trust I debentures. The right to purchase the debentures is at a fixed price based on the date of purchase, and the right expires on June 30, 2019. The purchase price of the Trust I debentures was $14,887,028 at December 31, 2017, which increases approximately 11 percent per anum through the expiration date. As of December 31, 2017, liabilities recognized related to the Trust I debentures, including accrued interest thereon, totaled $22,913,727.

At December 31, 2017, the Company is in default under the terms of the Trust II junior subordinated debenture agreements and does not have the ability *to pay all amounts due thereunder. On December 29, 2017, an agent for holders of the Trust II junior subordinated debentures filed a lawsuit demanding full repayment of all amounts due under the terms of the agreement. The Company is presently involved in negotiations with the agent and hopes to achieve a resolution in the near future. As of December 31, 2017, liabilities recognized related to the Trust II debentures, including accrued interest thereon, totaled $8,516,285.*

Note 16 – Minimum Regulatory Capital Requirements. The footnote noted that *"the Bank did not meet the requirements to be considered well capitalized."*

Note 17 - Regulatory Matters. This footnote discussed the Consent Orders between the Bank, the FDIC, and the IDFPR which had been in effect since May 24, 2010. These orders imposed a number of conditions and restrictions on the Bank.

Note 20 – Management's Plans

Note 20 -Management's Plans

As discussed in Note 9, the Company signed a supplemental indenture with the holders of the Trust I subordinated debentures to extend the interest deferral period to June 30, 2019, and, as such, is no longer in default on the Trust I subordinated debentures. The Company remains in default on the Trust II subordinated debentures. On December 29, 2017, an agent for holders of the Trust II junior subordinated debentures filed a lawsuit demanding full repayment of all amounts due under the terms of the agreement. ***The Company plans on utilizing all available legal opportunities to cure this default in the future, which may include settlement or bankruptcy reorganization.***

Management's success will ultimately be determined by conditions in the capital markets and the ability to negotiate with the holders of the remaining subordinated debentures in default. Most likely, the ability for the Company to raise the capital needed to take advantage of the "right-to-purchase" option included in the supplemental indenture to Trust I will depend on a successful resolution with holders of the Trust II subordinated debentures.

Management believes they have taken appropriate steps aimed at returning the Bank to sustained profitability. Management's success will ultimately be determined by their ability to implement the stated plans and the impact of certain factors beyond their control, such as conditions in the capital markets and the willingness of creditors to negotiate a settlement on the subordinated debentures.

The entire financial statement is found in Exhibit IX.

CONSENT ORDERS

The original consent order was issued in 2010 by the FDIC and the Illinois Department of Financial and Professional Regulation. It was replaced by a new consent order on May 4, 2013. That consent order was terminated by the FDIC and the Illinois Department of Professional Regulation Division of Banking on April 20, 2018. The consent orders can be found in Exhibit X.

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APR 23 2018

DIVISION OF
BANKING

FEDERAL DEPOSIT INSURANCE CORPORATION
WASHINGTON, D.C.

and

STATE OF ILLINOIS
DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
DIVISION OF BANKING
SPRINGFIELD, ILLINOIS

In the Matter of HOMESTAR BANK AND FINANCIAL SERVICES, MANTENO, ILLINOIS (Illinois Chartered Insured Nonmember Bank)	ORDER TERMINATING CONSENT ORDER FDIC-12-0475b 2012-DB-56

The Federal Deposit Insurance Corporation and the Illinois Department of Financial and Professional Regulation, Division of Banking, hereby issue this ORDER TERMINATING CONSENT ORDER, terminating all provisions of the Consent Order entered on May 14, 2013, against Homestar Bank and Financial Services, Manteno, Illinois, pursuant to section 8(b) of the Federal Deposit Insurance Act, 12 U.S.C. § 1818(b), and Illinois Banking Act, 205 ILCS 5/48.

Pursuant to delegated authority.

Dated this 20th day of April, 2018.

[redacted] John P. Conneely Regional Director Chicago Regional Office Federal Deposit Insurance	[redacted] Kerri Doll Director Illinois Department of Financial and Professional

Use of HomeStar Bank for Aqua Sale Proceeds

On June 15th, the Finance Committee hosted representatives of Midland Bank to hear its proposal for investing the Aqua proceeds. The Village minutes do not include the Midland presentation.

The Finance Committee minutes of July 11, 2018, stated:

> ***WPCC Proceeds Investment*** *– The sale of the system closed on July 2nd. The updated rates from HomeStar Bank for CD rates have been received. Mayor Nugent and Mr. LaRocque's recommendation is to invest the monies received from the sale of the system on a short-term basis as interest rates are increasing. Half of the monies would be placed in a 6 month CD with interest rate of 2% and half of the monies would be placed in the 1 year CD with a rate of 2.25%. This would gain enough interest to pay the garbage fee. The Village will also look at investing the monies that were in the capital improvement funds for the sewer system.*

We did not see a detailed discussion comparing investment alternatives. On June 25, 2018, the Village opened HomeStar Bank Account [redacted] to receive funds from the sale of the Village's sewer system to Aqua America. On June 25, 2018, Aqua wired $300,000 into this account. On July 2, 2018, the Village received an additional $25,000,000 from Aqua. By July 18, 2018, the funds had been transferred from this account to other HomeStar accounts, and the account was closed on October 4, 2018.

HomeStar Bank
& Financial Services

576 William Latham Dr., Bourbonnais, IL 60914
435 E. North St., Bradley, IL 60915
255 E. Station St., Kankakee, IL 60901
303 Section Line Rd., Manteno, IL 60950
105 McGuire Dr., Manteno, IL 60950
(815) 468-2265
25640 S. Gougar Rd., Manhattan, IL 60442
(815) 361-4455

000 00003 01
ACCOUNT: [redacted]

PAGE: 1
07/31/2018

VILLAGE OF MANTENO
98 E THIRD ST
MANTENO IL 60950-1245

30
0
3

Looking to purchase your dream home? HomeStar has a mortgage for you.
Our experienced Loan Officers are available to assist you on your homeownership journey. Reach out to us today!
Follow Us - #HomeStarHappy.

MM PUBLIC FUNDS ACCOUNT [redacted]

DESCRIPTION	DEBITS	CREDITS	DATE	BALANCE
BALANCE LAST STATEMENT			06/29/18	300,004.93
WIRE IN AQUA AMERICA - ZS		25000,000.00	07/02/18	25300,004.93
CHECK	25300,000.00		07/03/18	4.93
WIRE IN ICS SETTLEMENT - ZS		25000,000.00	07/16/18	25000,004.93
CHECK	12500,000.00		07/17/18	12500,004.93
CHECK	12500,000.00		07/17/18	4.93
INTEREST		836.71	07/31/18	841.64
SERVICE CHARGE	25.00		07/31/18	816.64
BALANCE THIS STATEMENT			07/31/18	816.64

TOTAL CREDITS	(3)	50,000,836.71
TOTAL DEBITS	(4)	50,300,025.00

YOUR CHECKS SEQUENCED

DATE	CHECK #	AMOUNT	DATE	CHECK #	AMOUNT	DATE	CHECK #	AMOUNT
07/03		*25300000.00	07/17		*12500000.00	07/17		12500000.00

(*) INDICATES A GAP IN CHECK NUMBER SEQUENCE

- - - - - - - - - - I N T E R E S T - - - - - - - - - -

AVERAGE LEDGER BALANCE:	1,590,629.93	INTEREST EARNED:	836.71
INTEREST PAID THIS PERIOD:	836.71	DAYS IN PERIOD:	32
INTEREST PAID 2018:	841.64	ANNUAL PERCENTAGE YIELD EARNED:	.60%

* * * C O N T I N U E D * * *

MPPS 21 05 000050

NOTICE: SEE REVERSE SIDE FOR IMPORTANT INFORMATION

The $25 million+ in sale proceeds remained with HomeStar Bank through 2018.

HomeStar Bank and Financial Services
3 Diversatech Drive
Manteno, IL 60950

Date 09/28/18
Page 1 of 14

VILLAGE OF MANTENO
C/O SHEILA MARTIN
98 E THIRD ST
MANTENO, IL 60950

Subject: CDARS® Customer Statement

Legal Account Title: VILLAGE OF MANTENO
C/O SHEILA MARTIN

Below is a summary of your certificate(s) of deposit, which we are holding for you as your custodian. These certificate(s) of deposit have been issued through CDARS by one or more FDIC-insured depository institutions. Should you have any questions, please contact us at **815-468-2265** or send an email to **mbade@homestarbank.com.**

Summary of Accounts Reflecting Placements Through CDARS

Account ID	Effective Date	Maturity Date	Interest Rate	Opening Balance	Ending Balance
[redacted]	07/19/18	01/17/19	1.98033%	$12,500,000.00	$12,550,286.10
	07/19/18	07/18/19	2.22514%	$12,500,000.00	$12,556,516.56
TOTAL				**$25,000,000.00**	**$25,106,802.66**

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VILLAGE OF MANTENO

CDARS® is a registered service mark of Promontory Interfinancial Network, LLC.

CONTAINS CONFIDENTIAL INFORMATION

Approximately one-half of the $25 million in sale proceeds ($12.5 million CD in Account #2893) matured on January 17, 2019. During the Manteno Finance Committee meeting on January 9, 2019, Mr. LaRocque recommended rolling over the CD at HomeStar Bank.

> *WPCC Funds – Mr. LaRocque stated that the 6 month CD for $12.5 million is coming due. The committee recommended that the money be reinvested for another 6 months at a rate of 2.3% at HomeStar Bank.*

ANNOUNCEMENT OF HOMESTAR & MIDLAND BANK CORP MERGER

Midland States Bancorp, Inc. filed Form 8-K on April 2, 2019, announcing the merger of Midland and HomeStar Financial Group (the parent of HomeStar Bank) and issued a press release announcing the merger. Midland's detailed presentation is found in Exhibit XI.

EX-99.1 2 exh_991.htm PRESS RELEASE

EXHIBIT 99.1

Midland States Bancorp, Inc. to Acquire HomeStar Financial Group, Inc.

EFFINGHAM, Ill. and MANTENO, Ill., April 02, 2019 (GLOBE NEWSWIRE) -- Midland States Bancorp, Inc. (NASDAQ: MSBI) (the "Company" or "Midland") and HomeStar Financial Group, Inc. ("HomeStar") today announced that they have entered into a definitive agreement whereby Midland will acquire 100% of the common stock of HomeStar, and its wholly owned subsidiary HomeStar Bank and Financial Services ("HomeStar Bank"), in exchange for 405,000 shares of Midland common stock.

HomeStar Bank is a full-service community bank headquartered in Manteno, Illinois, with approximately $3[illegible] million of assets, $225 million in loans and $333 million in deposits as of December 31, 2018. Serving its communities for over 70 years, HomeStar Bank has 5 locations in northern Illinois and has the #1 deposit market share in the Kankakee, IL metropolitan statistical area (MSA). For the quarter ended December 31, 2018, HomeStar had a cost of deposits of 0.20%, an average loan yield of 5.13%, and a net interest margin of 3.88%.

Jeff Ludwig, President and Chief Executive Officer of Midland, commented, "HomeStar has a deep history and strong commitment to their customers, employees and communities as evidenced by their leading market share position. HomeStar will complement our Kankakee presence and is consistent with our strategy of partnering with institutions that have attractive deposit bases and a proven commitment to their local customers."

Bill Smith, Chief Executive Officer of HomeStar, said, "I am very proud of all we have accomplished at HomeStar. Midland is an excellent merger partner for HomeStar due to their commitment to serving their clients and similar community banking model. We believe the complementary strengths of this combined organization will provide a stronger future for our customers, employees and the communities we serve."

Based upon the closing price of Midland common stock of $24.46 as of April 1, 2019, the transaction has a value to HomeStar shareholders of approximately $9.9 million assuming adjusted shareholders' equity of HomeStar at closing of $10.4 million, after taking into account certain transaction-related gains. The value of the actual consideration paid will adjust dollar for dollar (up or down) with respect to HomeStar's shareholders' equity at closing versus the $10.4 million target in the manner set forth in the Merger Agreement.

Midland expects the transaction to close in the third quarter of 2019 and be approximately 9% accretive to earnings per share in 2020, the first full year of combined operations. Midland also expects to incur tangible book value per share dilution of approximately 2% upon the closing of the transaction, with an expected earn-back period of approximately 2 years using the cross-over method, inclusive of expected gains and purchase accounting adjustments.

Under the terms of the definitive agreement, prior to, or concurrent with closing, HomeStar's outstanding TruPS will be redeemed with $23.5 million of cash provided by Midland, at a discount to par value plus accrued interest, generating an expected gain of approximately $11.7 million. Additionally, prior to closing, HomeStar will sell its interests in both its Insurance Agency and Title Company business lines.

The transaction has been approved by HomeStar's board of directors and is subject to regulatory approvals, the approval of HomeStar's shareholders, and the satisfaction of customary closing conditions.

A presentation with additional information regarding the transaction can be accessed on the Webcasts and Presentations page of the Company's investor relations website.

Keefe, Bruyette & Woods, *A Stifel Company* served as financial advisor to Midland, and Barack Ferrazzano Kirschbaum & Nagelberg LLP served as Midland's legal advisor. Monroe Financial Partners, Inc. served as financial advisor to HomeStar, and Gerrish Smith Tuck served as HomeStar's legal advisor.

About Midland States Bancorp, Inc.

Midland States Bancorp, Inc. is a community-based financial holding company headquartered in Effingham, Illinois, and is the sole shareholder of Midland States Bank. As of December 31, 2018, the Company had total assets of $5.6 billion and its Wealth Management Group had assets under administration of approximately $2.9 billion. Midland provides a full range of commercial and consumer banking products and services, merchant credit card services, trust and investment management, and insurance and financial planning services. In addition, commercial equipment leasing services are provided through Heartland Business Credit, and multi-family and healthcare facility FHA financing is provided through Love Funding, Midland's non-bank subsidiaries. For additional information, visit www.midlandsb.com or follow Midland on LinkedIn at https://www.linkedin.com/company/midland-states-bank.

Forward-Looking Statements

Readers should note that in addition to the historical information contained herein, this press release includes "forward-looking statements," including but not limited to statements about Midland's expected loan production, operating expenses, future earnings levels and other projections relating to the proposed transaction. These statements are subject to many risks and uncertainties, including (i) the possibility that any of the anticipated benefits of the proposed transaction will not be realized within the expected time period or at all; (ii) the risk that integration of HomeStar's operations will be materially delayed or will be more costly or difficult than expected, (iii) the failure of the proposed transaction to close for any other reason; (iv) the effect of the announcement of the transaction on customer relationships and operating results; (v) the possibility that the transaction may be more expensive to complete than anticipated, including as a result of unexpected factors or events; and (vi) other risks detailed from time to time in filings made by Midland with the Securities and Exchange Commission (the "SEC"). Readers should note that the forward-looking statements included in this press release are not a guarantee of future events, and that actual events may differ materially from those made in or suggested by the forward-looking statements. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "will," "propose," "may," "plan," "seek," "expect," "intend," "estimate," "anticipate," "believe" or "continue," or similar terminology. Any forward-looking statements presented herein are made only as of the date of this press release, and we do not undertake any obligation to update or revise any forward-looking statements to reflect changes in assumptions, the occurrence of unanticipated events, or otherwise.

Additional Information

This disclosure is being made in respect of the Merger and does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval.

CONTACTS:

For Midland:
Jeffrey G. Ludwig, President and CEO, at jludwig@midlandsb.com or (217) 342-7321
Steve Erickson, Chief Financial Officer, at serickson@midlandsb.com or (217) 540-1712

For HomeStar:
William Smith, CEO, at wsmith@homestarbank.com or 312-366-3921

As of the date of the merger between HomeStar and Midland, the Village had deposits and investments totaling approximately **$31.2 million,** including the proceeds of the Aqua sale but excluding any Village Pension Funds, which are not part of this analysis. Based on the Village bank statements and Village minutes, it appears that the Village had **$30.5 million** (approximately 98% of its cash) with HomeStar. The remaining $0.7 million in cash from the Village was invested with the Illinois Funds. The Midland merger announcement stated that HomeStar's deposits totaled $339.3 million as of March 31, 2019.

The merger of the two banks was scheduled to be completed in July 2018. The minutes of the June 12, 2019, Village Finance Committee meeting included a discussion on the Aqua funds:

> ***Sewer Funds Reinvestment*** *– On July 19th the $25 million that is currently in CD's at HomeStar Bank will be coming due. Mr. LaRocque would like to look at all options even with other banks.*
>
> *Mayor Nugent stated that there will be two (2) new banks that will be opening offices in Manteno. People's Bank has purchased property and will be building a new building. The National State Bank of St. Anne have rented an office on the west side of I-57, but will be remolding the old Family Video building to have a permanent office. There is some interest from the new banks concerning our investments. The village wishes to receive the highest interest rate as possible. The rates have declined since last year. All banks will be contacted to gauge their interest. The People's Bank building site is in the Enterprise Zone, but the National Bank of St. Anne's building is not. All information will be available at the next Finance Committee meeting in July for a decision.*

July 12, 2019, Finance Committee minutes state:

> ***Sewer Funds Reinvestment*** *– Mr. LaRocque contacted all local banks to see what interest rates they each have for the investment of the sewer fund monies. The village heard from four (4) banks. The rates range from 1.75% to 2.3%. The village would like to see if all banks could offer the 2.3% then the money would be equally divided among the banks that participate. Mayor Nugent would like to invest for at least 12 – 18 months. Mr. LaRocque will contact the banks. Trustee Gesky would like to give 50% of the monies to the bank that started with the 2.3% rate and then divide the rest between any other banks that will also offer 2.3%.*
>
> *Trustee Crockett exited the meeting at 7:51 a.m.*

The Aqua sale proceeds remained with HomeStar for a year until days after the closing of Midland's acquisition of HomeStar on July 17, 2019.

Midland

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Press Release

Midland States Bancorp, Inc. Completes the Acquisition of HomeStar Financial Group

EFFINGHAM, Ill., July 17, 2019 (GLOBE NEWSWIRE) – Midland States Bancorp, Inc. (NASDAQ: MSBI) (the "Company" or "Midland") today announced that it has completed its acquisition of HomeStar Financial Group, Inc. ("HomeStar"), the parent company of HomeStar Bank and Financial Services ("HomeStar Bank"). As of March 31, 2019, HomeStar Bank had approximately $381.4 million in assets, $216.6 million in loans and $339.3 million in deposits.

Jeff Ludwig, President and Chief Executive Officer of Midland, commented, "We are excited to welcome HomeStar's customers, employees and shareholders to Midland. We look forward to offering HomeStar customers a broader selection of financial products and services, while maintaining the same exceptional service level that they have come to expect. With the financial strength that Midland provides, we believe we can expand upon the leading position that we now have in the Kankakee, IL market, capitalize on the synergies of this combination, and create strong value for our new and existing shareholders."

Bill Smith, Chief Executive Officer of HomeStar, said, "We have worked closely with the Midland team over the past few months to ensure a smooth transition for our customers and employees. We are confident that the strength of the combined organization will provide a superior banking experience for our customers in the years ahead."

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of its outstanding Trust Preferred Securities prior to the closing.

About Midland States Bancorp, Inc.

Midland States Bancorp, Inc. is a community-based financial holding company headquartered in Effingham, Illinois, and is the sole shareholder of Midland States Bank. As of March 31, 2019, the Company had total assets of approximately $5.64 billion and its Wealth Management Group had assets under administration of approximately $3.10 billion. Midland provides a full range of commercial and consumer banking products and services, business equipment financing, merchant credit card services, trust, investment management and financial planning services. In addition, multi-family and healthcare facility FHA financing is provided through Love Funding, Midland's non-bank subsidiary. For additional information, please visit www.midlandsb.com or follow Midland on LinkedIn at https://www.linkedin.com/company/midland-states-bank.

Forward-Looking Statements

Readers should note that in addition to the historical information contained herein, this press release includes "forward-looking statements," including but not limited to statements about Midland's expected loan production, operating expenses, future earnings levels and other projections relating to the transaction. These statements are subject to many risks and uncertainties, including (i) the possibility that any of the anticipated benefits of the transaction will not be realized within the expected time period or at all; (ii) the risk that integration of HomeStar's operations will be materially delayed or will be more costly or difficult than expected; (iii) the effect of the announcement of the transaction on customer relationships and operating results; (iv) the possibility that the transaction may be more expensive to complete than anticipated, including as a result of unexpected factors or events; and (v) other risks detailed from time to time in filings made by Midland with the Securities and Exchange Commission. Readers should note that the forward-looking statements included in this press release are not a guarantee of future events, and that actual events may differ materially from those made in or suggested by the forward-looking statements. Forward-looking statements generally can be identified by the use of forward-

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terminology. Any forward-looking statements presented herein are made only as of the date of this press release, and we do not undertake any obligation to update or revise any forward-looking statements to reflect changes in assumptions, the occurrence of unanticipated events, or otherwise.

CONTACT:

Douglas J. Tucker, Sr. V.P., Corporate Counsel, at dtucker@midlandsb.com or (217) 342-7321.

Midland States Bancorp, Inc.

Midland States Bancorp, Inc.

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NATIONAL BANK OF ST ANNE

The National Bank of St. Anne is in St. Anne, Illinois. In 2020, the bank opened the National Bank of Manteno. The bank president is Edward Meier, who we understand is the son-in-law of the former mayor of Manteno, Tim Nugent.

On July 25, 2019, approximately one week after Midland's acquisition of HomeStar, the Treasurer transferred $12,500,000 in Aqua sale proceeds from Midland Bank (formerly HomeStar) to the National Bank of St. Anne.

National Bank of St. Anne
158 W. Station St.
P.O. Box 380
St.Anne IL 60964

Date 11/29/19
Page 1 of 9

VILLAGE OF MANTENO
98 EAST THIRD STREET
MANTENO, IL 60950

Subject: CDARS® Customer Statement

Legal Account Title VILLAGE OF MANTENO

Below is a summary of your certificate(s) of deposit, which we are holding for you as your custodian. These certificate(s) of deposit have been issued through CDARS by one or more FDIC-insured depository institutions. Should you have any questions, please contact us at 815-427-8154, send an email to lstrate@natbankil.com, or visit our website at www.natbankil.com.

Summary of Accounts Reflecting Placements Through CDARS

Account ID	Effective Date	Maturity Date	Interest Rate	Opening Balance	Ending Balance
[redacted]	07/25/19	07/23/20	2.3%	$12,500,000.00	$12,500,000.00
TOTAL				$12,500,000.00	$12,500,000.00

RECEIVED
DEC 11 2019
VILLAGE OF MANTENO

CDARS® is a registered service mark of Promontory Interfinancial Network, LLC CONTAINS CONFIDENTIAL INFORMATION

Timeline

The following timeline outlines the key transactions discussed above.

Village of Manteno
HomeStar/Aqua Funds Time Line

Date	Amount	Description
2/20/2017		Village enacts an investment policy via Ordinance 17-30
9/14/2017		Village Announces Sale of Sewer to Aqua
9/18/2017		Village Approves Ordinance 17-17 to sell Sewer System to Aqua for $24,335,000
3/20/2018		HomeStar's auditor publishes 2017 Financial Statement which includes a "going concern" opinion
4/23/2018		HomeStar Consent Order is terminated
5/31 2018		Approved by Illinois Commence Commission
6/25/2018	$ 300,000	HomeStar Account [redacted] opened and initial payment of $300,000 deposited
7/2 2018	$ 25,000,000	$25 million deposited into Accou[redacted]. **Note that funds appear to have stayed in HomeStar overnight with no FDIC protection**
7/3 2018	$ 25,000,000	Check to ICS Account. Appears to be phone conversation.
7/6 2018		Sale to Aqua Completed Announcement
7/16/2018	$ 25,000,000	Wire in ICS Settlement. **Note that funds appear to have stayed in HomeStar overnight with no FDIC protection**
7/17 2018	$ 12,500,000	Transfer to HomeStar CDARS at 2% for 26 Weeks
7/17/2018	$ 12,500,000	Transfer to HomeStar CDARS at 2.25% for 1 Year

Village of Manteno
HomeStar/Aqua Funds Time Line

Date	Amount	Description
1/9/2019		Mr LaRocque recommends to the Village that the CDARS maturing on January 17, 2019 be renewed at 2.3% for 6 months.
1/17/2019	$ 12,500,000	CDARS matures and we assume it is renewed as per above. We were not provided a copy of the new CD
4/2/2019		HomeStar/Midland Sale Announcement
6/12/2019		Village Finance Meeting. Mr LaRocque noted that the HomeStar CD's would be coming due and he would like to look at options at other banks
7/12/2019		Village Finance Meeting. Discussion regarding moving funds to other banks
7/17/2019		Close of HomeStar/Midland Merger
7/18/2019	$ 12,500,000	Funds invested in "O'Brien investment" at HomeStar Bank
7/25/2019	$ 12,500,000	Funds invested in CDARS at 2.3% until 7/23/20

Summary

At the time of the merger between HomeStar and Midland, the Village concentrated almost all of its cash and investments in HomeStar Bank. Immediately following the merger's closing, $12.5 million was moved from Midland Bancorp to the National Bank of St. Anne, an institution managed by the former mayor's son-in-law. We were verbally told that the other $12.5 million was an "O'Brien" investment.

Note that, subsequent to our examination period, Iroquois Federal, in which the Village had invested millions, was sold. At the time, the Treasurer's spouse was a senior officer of Iroquois Federal, and he was appointed to a senior role at Servbank upon the closing of that transaction.

Village Contracts

We reviewed the Village Contracting process, including several contract awards to relatives of Village Officials.

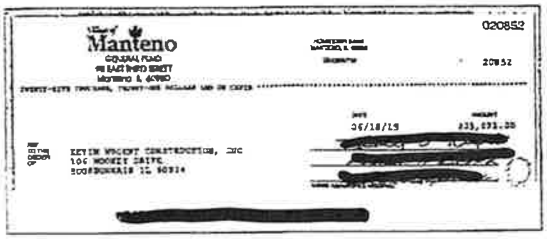
NUGENT FAMILY PAYMENTS BY THE VILLAGE

During the examination period, the Nugent Family businesses received $7.6M in payments from the Village pertaining to contract awards. Most of the payments went to Tenco Excavating, Inc., a business owned by the former mayor's nephews. Through 2022, Kevin Nugent Construction, a firm owned by the former mayor's brother, contracted directly with the Village. After 2022, the brother appeared to work for the Village through the firm owned by the brother's sons. Here is a list of known payments:

Village of Manteno
Nugent Family Payments
2019-2025

Transaction Date	Description	Payee / Wire From / Wire To	Withdrawal/Debit
7/12/2022	Check 25140	NKIDS Group LLC	$30,000 00
			$30,000.00
6/21/2019	Check 20852	Kevin Nugent Construction, Inc	$25,031.00
07/24/2020	Check 22322	Kevin Nugent Construction, Inc	$37,961.65
7/18/2022	Check 25126	Kevin Nugent Construction, Inc	$35,000.00
8/16/2022	Check 25248	Kevin Nugent Construction, Inc	$77,688.00
11/1/2022	Check 25432	Kevin Nugent Construction, Inc	$3,918 80
11/14/2022	Check 25623	Kevin Nugent Construction, Inc	$2,255.60
			$181,855.05
10/8/2019	Check 21331	Tenco Excavating, Inc	$282 507 99
06/18/2020	Check 22281	Tenco Excavating, Inc	$12 947.54
07/21/2020	Check 22406	Tenco Excavating, Inc	$148,086.00
10/6/2020	Check 22663	Tenco Excavating, Inc	$130,289.50
12/9/2020	Check 22866	Tenco Excavating, Inc	$8,740.20
9/10/2021	Check 23987	Tenco Excavating, Inc	$250,918.83
9/22/2021	Check 24043	Tenco Excavating, Inc	$384,735 61
12/23/2021	Check 24402	Tenco Excavating, Inc	$17,905 54
6/23/2022	Check 25076	Tenco Excavating, Inc	$161,655.21
8/15/2022	Check 25274	Tenco Excavating, Inc	$372,871 66
9/8/2022	Check 25344	Tenco Excavating, Inc	$216,015.75
10/4/2022	Check 25457	Tenco Excavating, Inc	$275,936 09
10/28/2022	Check 25526	Tenco Excavating, Inc	$338,780.65
11/10/2022	Check 25666	Tenco Excavating, Inc	$720,685.91
12/9/2022	Check 27235*	Tenco Excavating, Inc	$151,633.12
5/11/2023	Check 27702	Tenco Excavating, Inc	$151,541.03
5/11/2023	Check 27755	Tenco Excavating, Inc	$1,627.00
6/16/2023	Check 28050	Tenco Excavating, Inc	$28,090.00
10/25/2023	Check 28782	Tenco Excavating, Inc	$613,444.12
8/20/2024	Check 31567	Tenco Excavating, Inc	689,539.50
10/23/2024	Check 32565	Tenco Excavating, Inc	1,041,120.00
12/6/2024	Check 33676	Tenco Excavating, Inc	552,321.23
3/14/2025	Check 34025	Tenco Excavating, Inc	112,041.69
4/16/2025	Check 34147	Tenco Excavating, Inc	681,695.93
			$7,345,130.10
Known Nugent Family Payments			**$7,556,985.15**

Check Images



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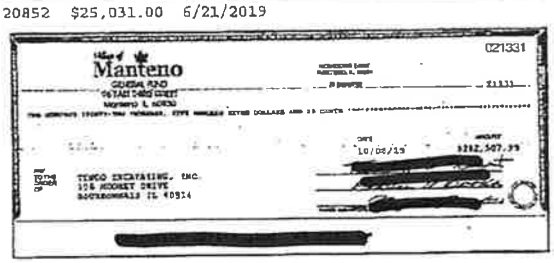

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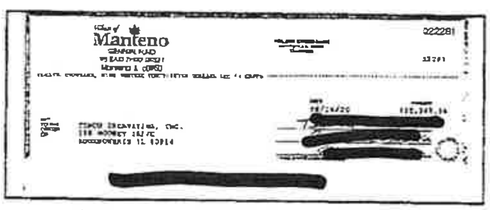

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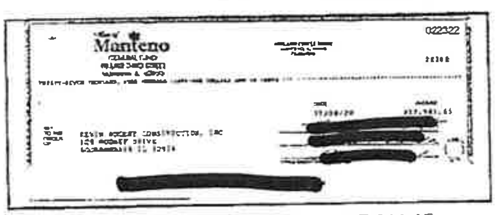

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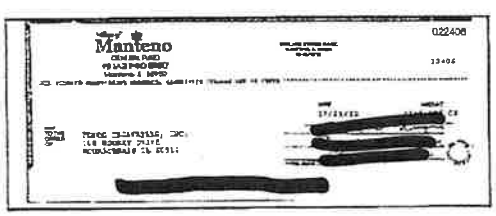

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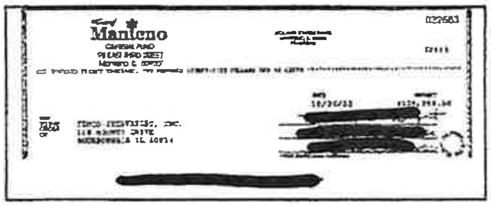

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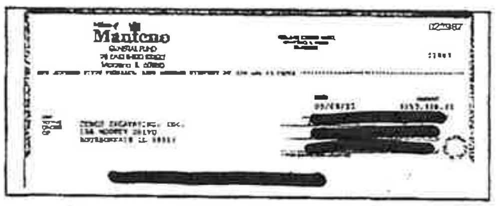

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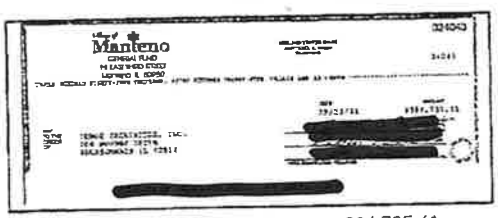

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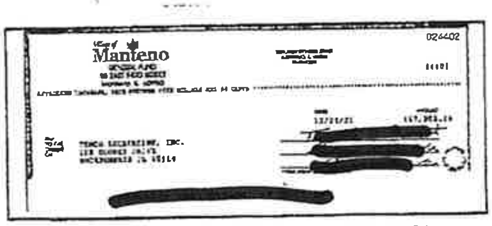

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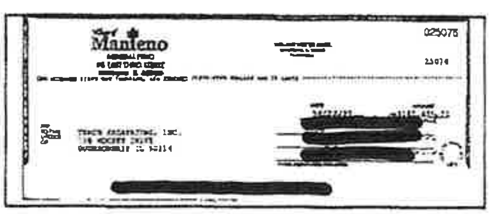

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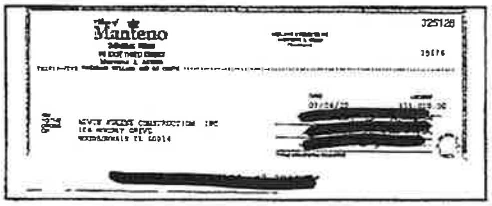

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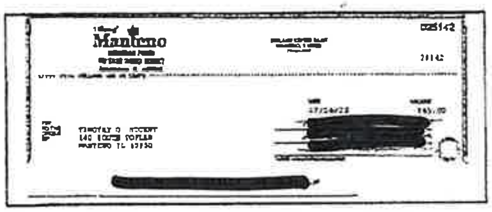

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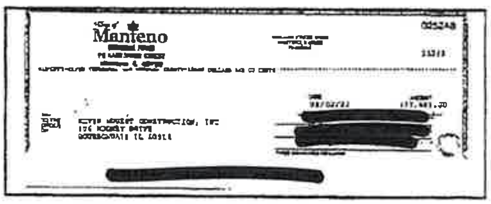

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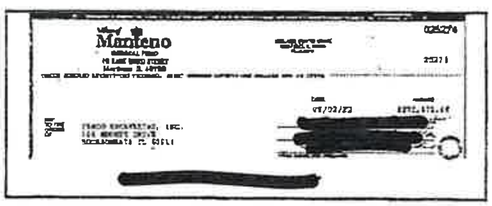

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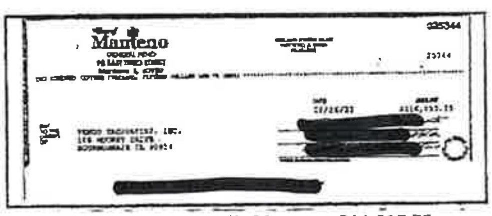

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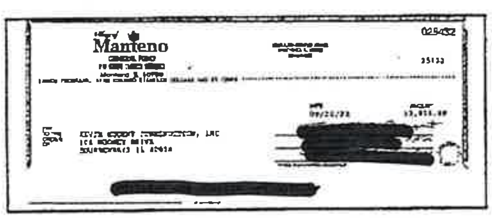

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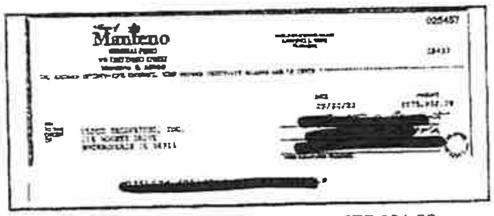

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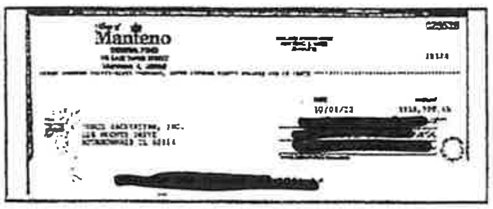

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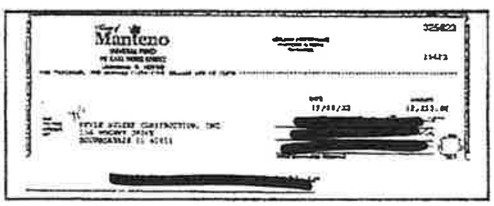

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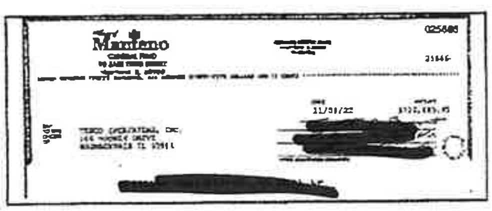

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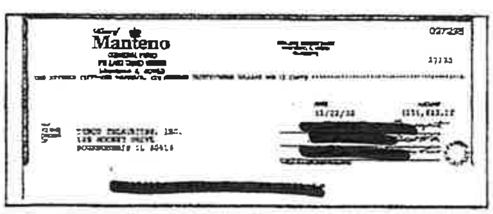

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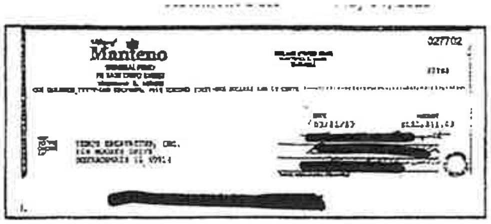

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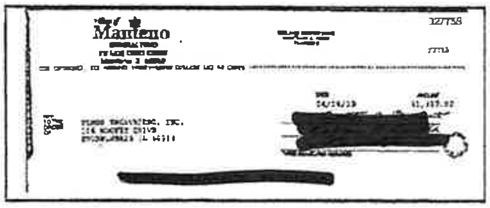

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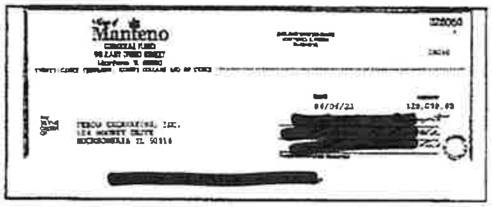

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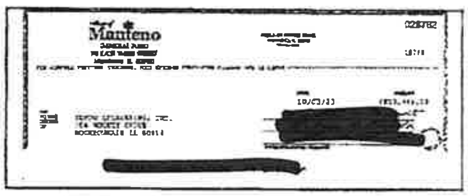

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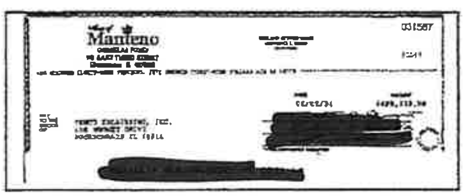

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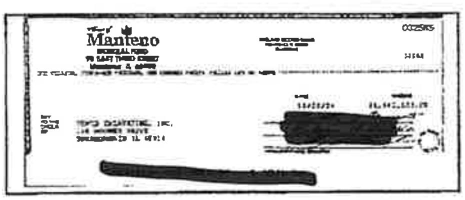

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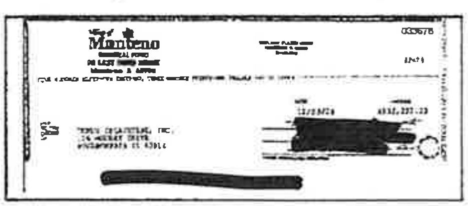

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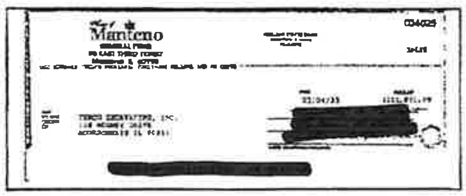

34025 03/14/2025 112,041.69

We looked at the state statutes and Village ordinances governing contracting with the Village, Mr. Bruce Hill's involvement in the contracting process, and the award of several projects.

PROCUREMENT STATUTES AND ORDINANCES

State Statutes

The state statute governing purchases by public municipalities of less than 500,000 is shown below [pertinent text is **bolded** for purposes of discussion]:

> *(65 ILCS 5/Art. 8 Div. 9 heading)*
> *DIVISION 9. PURCHASING AND PUBLIC*
> *WORKS CONTRACTS IN MUNICIPALITIES*
> *OF LESS THAN 500,000*
> *(65 ILCS 5/8-9-1) (from Ch. 24, par. 8-9-1)*
> *Sec. 8-9-1. In municipalities of less than 500,000 except as otherwise provided in Articles 4 and 5 any work or other public improvement which is not to be paid for in whole or in part by special assessment or special taxation,* ***when the expense thereof will exceed $25,000, shall be constructed either (1) by a contract let to the lowest responsible bidder after advertising for bids, in the manner prescribed by ordinance, except that any such contract may be entered into by the proper officers without advertising for bids, if authorized by a vote of two-thirds of all the alderpersons or trustees then holding office;*** *or (2) in the following manner, if authorized by a vote of two-thirds of all the alderpersons or trustees then holding office, to-wit: the commissioner of public works or other proper officers to be designated by ordinance, shall superintend and cause to be carried out the construction of the work or other public improvement and shall employ exclusively for the performance of all manual labor thereon, laborers and artisans whom the municipality shall pay by the day or hour; and all material of the value of $25,000 and upward used in the construction of the work or other public improvement, shall be purchased by contract let to the lowest responsible bidder in the manner to be prescribed by ordinance. However, nothing contained in this Section shall apply to any contract by a city, village or incorporated town with the federal government or any agency thereof.*
>
> *In every city which has adopted Division 1 of Article 10, every such laborer or artisan shall be certified by the civil service commission to the commissioner of public works or other*

proper officers, in accordance with the requirement of that division.

In municipalities of 500,000 or more population the letting of contracts for work or other public improvements of the character described in this Section shall be governed by the provisions of Division 10 of this Article 8.
(Source: P.A. 102-15, eff. 6-17-21.)

(65 ILCS 5/8-9-2) (from Ch. 24, par. 8-9-2)
Sec. 8-9-2. (a) In municipalities of less than 500,000 population, the corporate authorities may provide by ordinance that all supplies needed for use of the municipality shall be furnished by contract, let to the lowest bidder.
In municipalities of more than 500,000 population the provisions of Division 10 of this Article 8 shall apply to and govern the purchase of supplies.

The provisions of this Section are subject to any contrary provisions contained in "An Act concerning the use of Illinois mined coal in certain plants and institutions", filed July 13, 1937, as heretofore and hereafter amended.
(b) The corporate authorities of a municipality may by ordinance provide that contracts to provide goods and services to the municipality contain a provision requiring the contractor and its affiliates to collect and remit Illinois Use Tax on all sales of tangible personal property into the State of Illinois in accordance with the provisions of the Illinois Use Tax Act, and municipal use tax on all sales of tangible personal property into the municipality in accordance with a municipal ordinance authorized by Section 8-11-6 or 8-11-1.5, during the term of the contract or for some other specified period, regardless of whether the contractor or affiliate is a "retailer maintaining a place of business within this State" as defined in Section 2 of the Use Tax Act. The provision may state that if the requirement is not met, the contract may be terminated by the municipality, and the contractor may be subject to such other penalties or the exercise of such remedies as may be stated in the contract or the ordinance adopted under this Section. An ordinance adopted under this Section may contain exceptions for emergencies or other circumstances when the exception is in the best interest of the public. For purposes of this Section, the term "affiliate" means any entity that (1) directly, indirectly, or constructively controls another entity, (2) is directly, indirectly, or constructively controlled by another entity, or (3) is subject to the control of a common entity. For purposes

of this subsection (b), an entity controls another entity if it owns, directly or individually, more than 10% of the voting securities of that entity. As used in this subsection (b), the term "voting security" means a security that (1) confers upon the holder the right to vote for the election of members of the board of directors or similar governing body of the business or (2) is convertible into, or entitles the holder to receive upon its exercise, a security that confers such a right to vote. A general partnership interest is a voting security.
(Source: P.A. 93-25, eff. 6-20-03.)

(65 ILCS 5/8-9-3) (from Ch. 24, par. 8-9-3)
Sec. 8-9-3. In the event of a conflict between the application of this Division 9 of Article 8 and the application of "An Act concerning municipalities, counties and other political subdivisions", enacted by the 85th General Assembly, the provisions of "An Act concerning municipalities, counties and other political subdivisions" shall prevail.
(Source: P.A. 85-854.)

(65 ILCS 5/8-9-4)
Sec. 8-9-4. Long-term contracts. Any municipality may enter into a long-term energy contract, even if the length of the contract would exceed the term of office of the corporate authorities that approved the contract.
(Source: P.A. 93-58, eff. 1-1-04.)

Other applicable Illinois Statues may include:

- 50 ILCS 105/) Public Officer Prohibited Activities Act.
- 20 ILCS 5/ Criminal Code of 1961., Article 33E - Public Contracts
- Illinois Budget Act

Village Ordinances

Village Purchasing Ordinances & Village Administrator Duties

[Pertinent text is **bolded** for purposes of discussion]:

1-19-5: Duties (Village Administrator)

*(O) Oversee in the ordinary course of business all purchases of materials and supplies necessary for the village as provided for in the annual appropriation ordinance; provided, that on purchases of more than three thousand dollars ($3,000.00), he/she shall first procure the approval of the trustees before making such purchases, and **in all cases***

he/she shall comply with the statutory provisions as to solicitations of bids.

(P) Whenever, in the judgment of the village administrator, ***exigency shall require the making of any purchases for a price in excess of three thousand dollars ($3,000.00), but less than ten thousand dollars ($10,000.00), prior to the next regular meeting of the trustees, the village administrator, with the written approval of the president,*** *may make such purchase without waiting for formal approval of the specific purchase by the board as a whole; provided that such purchase shall not violate any relevant statutory requirement as to solicitation of bids.*

(Q) ***Recommend to the trustees*** *a classification pay and benefit plan, or recommend other courses of action and possible alternatives that are in the best interest of the village.*

1-21-6: PURCHASES AND PURCHASING AGENT:

(A) Unless otherwise authorized, no purchase or contract for equipment, goods, materials, property, services, supplies, vehicles, or work shall be approved, valid, or binding on the village unless included as an anticipated expenditure in the current budget.

(B) Unless otherwise authorized, no purchase or contract for equipment, goods, materials, property, services, supplies, vehicles, or work shall be approved, valid, or binding on the Village unless authorized by the corporate authorities of the village.

(C) The village administrator shall be and act as the purchasing agent for the village. The village administrator shall have the authority, when so authorized by the corporate authorities, to purchase or contract for all equipment, goods, materials, property, services, supplies, vehicles, and work needed by the village.

(D) The village administrator may, in his/her discretion, without the specific prior approval of the corporate authorities, purchase or contract for all equipment, goods, materials, property, services, supplies, vehicles, and work in ***an amount not to exceed twenty-five thousand dollars ($25,000.00) provided such expense is included as an anticipated expenditure in the current budget.***

(E) Notwithstanding anything herein to the contrary, no purchase or contract for work or other public improvement to be constructed in excess of twenty-five thousand dollars ($25,000.00) shall be made unless authorized by a contract awarded to the lowest responsible bidder after due advertisement for bids, except that any such contract may be entered into by the proper officers without advertising for bids, if authorized by a vote of two-thirds of the board of trustees. "Due advertisement" means an invitation to

bid published in a newspaper of general circulation in the village at least ten (10) days before the bid response date. A "responsible bidder" is a person or entity who has the capability in all respects to perform fully the contract requirements, with the perseverance, experience, integrity, reliability, resources, capacity, facilities, equipment, and credit to assure good faith performance. In determining which bidder is the "lowest responsible bidder," the village may consider, in addition to the amount of the bid/contract price: (i) the ability, capacity and skill to perform the contract and provide the supplies, materials or work; (ii) whether the bidder can perform the contract in the manner specified by the contract documents without delay or interference; (iii) the character, integrity, reputation, judgment, experience and efficiency of the bidder; (iv) the quality of performance on previous contracts with the village or other governmental agencies; (v) the history and current compliance with all laws and ordinances related to the contract; (vi) the financial resources to perform the contract; (vii) the quality, availability and adaptability of the contractual supplies, materials or work to the use required; (viii) the ability of the bidder to provide future maintenance or warranty work required by the contract; (ix) the number and scope of conditions imposed by the bidder; and, (x) whether the bidder has a place of business within the jurisdictional boundaries of the village.

(F) Following an award of a contract for work or public improvement to be constructed, no change order or construction change directive shall be approved or executed by any village official, employee, or agent, including any engineer, architect, or construction manager, that increases, or would have the effect of increasing, the contract price by more than five thousand dollars ($5,000) or five (5%) percent (excluding allowances in the contract), whichever is greater, without the prior approval of the board of trustees announced at a regular or special meeting held for such purpose.

(G) No change order or construction change directive shall be approved or executed that necessitates an increase in the contract price by fifty (50%) percent or more of the original contract price without resubmitting that portion to bidding in the same manner in which the original contract was bid in accordance with the Illinois Public Works Contract Change Order Act (50 ILCS 525/1, et seq.).

(H) In the case of an emergency, the village president, or his/her designee, with the prior consensus of not less than four (4) trustees, shall have the authority to purchase or contract for equipment,

goods, materials, property, services, supplies, vehicles, or work, provided such purchase or contract is ratified by the corporate authorities at their next regularly scheduled meeting to be held not less than forty-eight (48) hours thereafter. (Ord. 05-45, 1-16-2006; amd. Ord. 25-09, 7-7-2025)

1-21-9: BIDS:

(A) Advertisement For Bids: Unless otherwise specified by the board of trustees, any contract requiring bidding shall be let after advertising for bids by publication not less than one time at least ten (10) days prior to the date of the bid opening.

(B) Prevailing Wage Act: All contracts subject to the prevailing wage act shall be deemed to include the requirements thereof whether or not specifically detailed in the bid specifications.

(C) Waiver: The board of trustees reserves the right to reject any and all bids or to waive any technicalities, whether or not specifically detailed in the bid specifications.

(D) Bid Opening: Unless otherwise specified by the board of trustees bids shall be opened in the office of the village clerk during regular business hours with the report thereof forwarded to the board of trustees for action.

(E) Bid Security: No bid deposit or bond shall be required unless required in the bid specifications. (Ord. 05-45, 1-16-2006)

1-21-11: CONFLICT OF INTEREST:

***No officer or employee of the village shall be interested directly or indirectly in any contract made and entered into under the provisions of this chapter for any work to be done** or any materials to be furnished, **nor in the purchase of any real estate or other property belonging to the village,** or which shall be sold for taxes or assessments or by virtue of legal process at the suit of the village, and **all contracts so made in which such officer or employee shall be so interested may, at the option of the village, be declared unlawful and void and of no binding effect whatsoever, and such officer or employee interested in any such contract shall thereby forfeit his office and be removed therefrom on proof of his delinquency.** (Ord. 04-21, 8-16-2004)*

2-6-6: PURCHASES AND EXPENDITURES:

(A) The village board may, on recommendation of the local coordinator of ESDA, authorize any purchase of contracts necessary to place the village in a position to effectively combat any disaster resulting from the explosion of any nuclear or other bomb

or missile, and to protect the public health and safety, protect property, and provide emergency assistance to victims in the case of such disaster, or from manmade or natural disaster.

(B) In the event of enemy caused or other disaster, the local coordinator of ESDA is authorized, on behalf of the village, to procure such services, supplies, equipment or material as may be necessary for such purposes, in view of the exigency without regard to the statutory procedures or formalities normally prescribed by law pertaining to village contracts or obligations, as authorized by state law; provided, that if the village board meets at such time he shall act subject to the directions and restrictions imposed by that body. (Ord. 11-04, 6-20-2011)

Village Ordinance 25-09, further updating the purchasing privileges and responsibilities of the Village Administrator, was approved on July 7, 2025. This impacts purchases made outside the scope of our engagement.

ENGINEERING COSTS

Engineering costs have been a concern for some time. Chris LaRocque addressed the Village's concern about escalating costs during the Finance Committee Meeting on October 9, 2019.

> ***Engineer Expense Discussion*** *– Mr. LaRocque has been reviewing the engineering invoices and presented a handout. The overall costs have greatly increased. Mr. LaRocque used the example of the South Walnut Street parking lot next to the Library, which was completed in 2014. The total cost for engineering was $13,430.00. The total cost (so far) for engineering of the extension of the First Street parking lot is $52,216.25. The village did add a small portion to the scope of work on the north side of the street. There was no requirement to regrade the area or tear and replace curb. There have been errors in this project and also during the path project. Mr. LaRocque provided some recommendations listed on the handout. To help keep some costs down, the village engineer is not attending staff meetings or board meetings unless requested. Mayor Nugent stated that costs have increased immensely, and the quality of the product has been less. 20% of the cost of the First Street parking lot project has*

been in engineering costs. Mr. LaRocque reviewed MFT contracts and the State limits the costs of engineering to a maximum of 6% of a project. Trustee Crockett asked if the village should consider having an in-house engineer. Mr. LaRocque stated that over the last three (3) years the village has paid around $250,00 - $270,00 for engineering costs. Mr. LaRocque stated that the TIF District will be closing in 2021, so there may not be as many projects available. The village could share an in-house engineer with other municipalities. Another option would be to bid all projects for engineering services. Mr. LaRocque stated that the village could ask for firm pricing, but that could cause prices to be high. Mr. LaRocque stated that the village could use "not to exceed" pricing and then if there are overages the village would have approval on any increases. Mr. LaRocque will have a conversation with Robinson Engineering about these issues.

BRUCE HILL

Mr. Hill has been the Village Engineer on several Village projects. He worked for Novotny Engineering and resigned on July 28, 2023, to take a position with HR Green. The Village followed Mr. Hill to his new firm without rebidding the work, even though Mr. Hill's rate increased from $130 to $261 per hour, a 100% rate increase. The engineering charges from Novotny and HR Green to the Village totaled $1.1M between October 27, 2021, and April 15, 2025.

Village of Manteno
Homestar/Midland Account [redacted]
Bruce Hill Related Engineering Charges
2019 - 2025

Transaction Date	Description	Payee / Wire From / Wire To	Withdrawal/Debit
10/27/2021	Check 24142	Novotny Engineering	$3,996.25
3/1/2022	Check 24617	Novothy Engineering	$15,676.00
5/10/2022	Check 24869	Novothy Engineering	$72,143.35
8/22/2022	Check 25325	Novothy Engineering	$241,648.11
12/1/2022	Check 27227*	Novothy Engineering	$169,213.71
3/1/2023	Check 27564	Novotny Engineering	$39,602.08
5/23/2023	Check 27927	Novotny Engineering	$20,300.66
8/17/2023	Check 28300*	Novotny Engineering	$43,315.35
11/17/2023	Check 29758	Novotny Engineering	$8,766.40
			$614,661.91
12/27/2023	Check 30528	HR Green Inc	$36,137.68
2/13/2024	Check 30719	HR Green Inc	$4,358.50
3/26/2024	Check 30888	HR Green Inc	$22,613.00
4/23/2024	Check 30997	HR Green Inc	$5,140.00
5/14/2024	Check 31088	HR Green Inc	$63,032.87
5/29/2024	Check 31146	HR Green Inc	$59,411.38
6/27/2024	Check 31323	HR Green Inc	$25,154.69
8/16/2024	Check 31526	HR Green Inc	$43,556.19
9/10/2024	Check 31665	HR Green Inc	$18,124.54
10/17/2024	Check 31784	HR Green Inc	$123,400.56
10/30/2024	Check 32537	HR Green Inc	$27,633.87
11/26/2024	Check 33597	HR Green Inc	$27,182.49
12/23/2024	Check 33714	HR Green Inc	$8,136.13
2/11/2025	Check 33897	HR Green Inc	$15,432.89
2/25/2025	Check 33944	HR Green Inc	$11,157.15
4/15/2025	Check 34103	HR Green Inc	$20,725.75
			$511,197.69
Total			**$1,125,859.60**

In addition to the payments for HR Greene and Novotny, there were significant payments to other design and engineering firms, including Carlile Architects ($421,307.21), Robinson Engineering ($477,111.44), and Tyson Engineering ($47,560.25).

During the April 8, 2026, Village Board meeting, the Trustees approved (4-0) a motion to approve a Master Services Agreement with HR Green.

CONTRACT AWARDS

Legacy Park Phase Improvements - Phase 2

The Village solicited contractor proposals for additional work on the Legacy Park Project. The bids were due on September 18, 2024. The **only bid** received was from Schwartz Excavating, Inc. in Countryside, Illinois. Their base bid was $725,895, which was significantly less than ½ of the Engineer's estimated cost of $1,707,464. The two alternative costs requested were also considerably below the Engineer's estimate.

On September 19, 2024, the Engineer **rejected** the sole contractor's bid, which had come in at a fraction of the engineer's estimate, and instead recommended a change in scope and the rebidding of the project.

HRGreen.

Main Fax

September 19, 2024

Mr. Chris LaRocque
Village Administrator
Village of Manteno
98 East Third Street
Manteno, IL 60950

Re Legacy Park – Phase 2
HRG #2303589.02
Bid Tabulation

Dear Chris

Listed below and on the attached *Tabulation of Bids* are the results of the September 18, 2024 bid opening for the above-captioned project. One (1) bid was received and checked for accuracy, with no computational errors found. The results are as follows.

Schwartz Excavating, Inc.	$725,895.00
Engineer's Estimate	$1,707,464.00

The lowest bid was Schwartz Excavating, Inc submitting a bid in the amount of $725,895.00 which was below the Engineer's Estimate of $1,707,464.00

After speaking with Village Staff on this project some additional scope needs to be added including lighting near the pier and enhanced landscaping for the newly created berms surrounding the park. This additional scope leads me to recommend to reject this bid and re-bid the project after revising the plans/specs to reflect the additional scope the Village is looking for

Please call if you have any questions regarding this matter

Sincerely

HR GREEN, INC

B A Hill

Bruce Hill, P.E.
Municipal Services Executive

Attachments

				Schwartz Excavating, Inc. 7023 Willow Springs Rd., Suite 100 Countryside, IL 60525		ENGINEERS OPINION OF PROBABLE CONSTRUCTION COSTS	
H. R. GREEN INC 323 Alana Drive New Lenox, IL 60451 PH: (815) 462-9324 **Project Name** LEGACY PARK IMPROVEMENTS - PHASE II							
Section No.: N/A							
Bid Date: September 18, 2024							
HR Green Project No: 2303529.02							
Engineer's Opinion of Probable Construction Cost - $786,233.00							
		UNIT	Quantity	Unit Price	Total	Unit Price	Total
1	TOPSOIL STRIP/STOCKPILE	CU YD	4,900	$3.42	$16,758.00	$ 25.00	$122,500.00
2	TOPSOIL RESPREAD 6"	CU YD	4,900	9.98	$48,902.00	$ 40.00	$196,000.00
3	SEEDING, CLASS 1A	ACRE	6	4,031.50	$24,189.00	$ 3,500.00	$21,000.00
4	SEEDING, CLASS 4B	ACRE	0.7	7,496.50	$5,247.55	$ 5,000.00	$3,500.00
5	STONE RIPRAP, CLASS A4	TON	870	95.21	$82,832.70	$ 200.00	$174,000.00
6	NITROGEN FERTILIZER NUTRIENT	POUND	360	6.93	$2,494.80	$ 8.00	$2,880.00
7	PHOSPHORUS FERTILIZER NUTRIENT	POUND	360	6.93	$2,494.80	$ 8.00	$2,880.00
8	POTASSIUM FERTILIZER NUTRIENT	POUND	360	6.93	$2,494.80	$ 8.00	$2,880.00
9	EROSION CONTROL BLANKET	SQ YD	29,000	2.59	$75,110.00	$ 2.50	$72,500.00
10	PERIMETER EROSION BARRIER	FOOT	1,450	5.67	$8,221.50	$ 8.00	$11,600.00
11	FLOATING SILT CURTAIN - TYPE I	FOOT	1,000	33.22	$33,220.00	$ 10.00	$10,000.00
12	EARTH EXCAVATION	CU YD	30,000	5.08	$152,400.00	$ 25.00	$750,000.00
13	GRADING AND SHAPING BERM	L SUM	1	80,140.00	$80,140.00	$ 10,000.00	$10,000.00
14	FISHING PIER	L SUM	1	71,005.00	$71,005.00	$ 150,000.00	$150,000.00
15	STABILIZED CONSTRUCTION ENTRANCE	L SUM	1	4,950.00	$4,950.00	$ 2,500.00	$2,500.00
16	MOBILIZATION	L SUM	1	135,434.85	$135,434.85	$ 20,000.00	$20,000.00
	CONSTRUCTION TOTAL			TOTAL BASE	$725,895.00	TOTAL BASE	$1,552,240.00
	CONTINGENCIES					10%	$155,224.00
	Proposed Amount TOTAL AS READ			TOTAL AS READ	$ 725,895.00		$1,707,464.00
				Difference			
Total Bid with Bid Alternate - AS BID							
Total Bid with Bid Alternate - AS CORRECTED				As Corrected	N/A		

	Schedule for Alternate Bid						
1	FISHING PIER - TREX DECKING	L SUM	1	15,665.00	$15,665.00	$ 35,000.00	$35,000.00
2	FISHING PIER - COMPOSITE RAILING	L SUM	1	11,815.00	$11,815.00	$ 15,000.00	$15,000.00

At this point, the Engineer, Village Officials, and presumably Schwartz's competitors knew Schwartz's pricing for the project, placing the contractor at a significant disadvantage for any rebid, including significant portions of the original scope.

In late 2024, the Engineer re-estimated the project. He **reduced** his estimate, apparently using the quotation from Schwartz Excavating. The project was rebid, and the bids were opened on January 13, 2025. This time, there were four responses and two bid opening documents.

The handwritten list of bidders shows those individuals in attendance at the bid opening, but not the pricing. A bid summary prepared by the engineer contains handwritten prices.

Bid Opening - Legacy Park
Date:_1/13/25__@ 2:00 P.M.______
Department:___Parks____________

	Bidder Name:	Address	Bid Amount
1:45	Schwartz Excavating	Countryside IL	
1:48	R+R Inc	Bradley IL	
1:49	KVCC	Kankakee	
1:55	Tenco	Bourbonnais	

Attendees - Jim H, C LaRque, D Gesky, B, Hill

HRGreen

SEND OUT BID TAB TO ALL

BIDDER'S LIST

Project Name:	Legacy Park - Phase 2 (Rebid)		HR Green Job #	2303589.02
Letting Date:	January 13, 2025		Prequalification Required:	No
Letting Time:	2:00 PM		Plan Non-Refundable Deposit:	No
Location:	Manteno Village Hall 98 E. 3rd Street Manteno, IL 60950		Engineer's Estimate of Cost:	$1,213,290.50

	Company	Contact	Phone/Fax	Picked Up	Eligibility Cert. Rec'd	Received Addendum #1	Received Addendum #2	Bid Amount	
1	Schwartz Excavating, Inc. 7023 Willow Springs Rd., Suite 103 Countryside, IL 60525	Garrett Schwartz [illegible]	708.639.4145 Ext. 16			Yes	Yes	$998,900.00	2
2	Tenco Excavating 165 Mooney Drive Bourbonnais, IL 60914	Keith Nugent [illegible]	815.929.9014			Yes	Yes	$984,114.05	1
3	Shamrock Landscaping 825 E. North Street Elburn, IL 60119	Steve Baier [illegible]	630 377 9594			Yes	Yes		
4	KVCC 4356 W. IL Rt. 17 Kankakee, IL 60901	Chris Schriefer [illegible]	815 937 8700			Yes	Yes	$1,178,713.09	
5	R & R Inc. Rueben E. Smooth Const. 422 N. Kennedy Drive Bradley, IL 60915	Ron Kinzinger ron@resmr.com	815 933 8734			Yes	Yes	$1,093,345.00	3

The Engineer published the above list showing the bidders. It is unclear from this list when and by whom the bid amounts were written, as those amounts are not shown in the document purporting to have been produced during the bid opening.

Mr. Hill then produced his evaluation of the contractor proposals and, on January 15, 2025, recommended that the project be awarded to Tenco Excavating.

HRGreen

323 Alana Drive
New Lenox, IL 60451
Main 815 462 9324 - **Fax** 713 965 0044

January 15, 2025

Mr. Chris LaRocque
Village Administrator
Village of Manteno
98 East Third Street
Manteno, IL 60950

Re: Legacy Park – Phase 2 (Rebid)
HRG #2303589.02
Bid Tabulation

Dear Chris:

Listed below and on the attached *Tabulation of Bids* are the results of the January 13, 2025, bid opening for the above-captioned project. Four (4) bids were received and checked for accuracy, with computational errors found for Schwartz Excavating, Inc. The results are as follows:

Tenco Excavating	**$984,111.05**
Schwartz Excavating, Inc.	$1,002,950.00 (cost correction as read)
R&R Inc., Rueben Smith Construction	$1,093,345.00
KVVC	$1,178,713.08
Engineer's Estimate	$1,213,290.50

The lowest bid was Tenco Excavating submitting a bid in the amount of $984,111.05 which was below the Engineer's Estimate of $1,213,290.50.

Tenco Excavating is qualified to perform this work. Therefore, we recommend that the Contract be awarded to **Tenco Excavating, 106 Mooney Drive, Bourbonnais, IL 60914**, in the amount of **$984,111.05**.

Please call if you have any questions regarding this matter.

Sincerely,

HR GREEN, INC.

Bruce Hill, P.E.
Municipal Services Executive

Attachments

Although the project scope increased, the Engineer's estimate decreased from $1.7M to $1.2M. As shown below in the revised estimate, the Engineer reduced his overall pricing by $792,700 and eliminated his 10% contingency of $155,224, resulting in a total decrease of $947,924 from his original estimate. His new cost estimate of the original scope of work was now $759,540, or $33,685 (4.6%) more than Schwartz's September 2024 quote of $725,895. We did not find any explanation from the Engineer as to the reason his original estimated cost was 225% higher than his revised estimated cost for the same scope of work, or the reason the original scope of work could not have been amended to include any changes in scope, as the contract bids with the Engineer's scope changes were well below the Engineer's original cost estimate.

Below is an analysis of the Engineer's two estimates.

Manteno
Legacy Park Improvements - Phase II
Comparison of Engineering Estimates

		Engineers Opinion - 09/18/1924					Engineers Opinion 1/15/25				
Description	Unit	Quantity	Unit price	Total		Unit	Quantity	Unit price	Total	New Scope	Change in Cost
TOPSOIL STRIP/STOCKPILE	CU YD	4900	$ 25.00	$ 122,500.00	TOPSOIL STRIP/STOCKPILE	CU YD	5230	$ 7.50	$ 39,225.00	2,475.00	(85,750.00)
TOPSOIL RESPREAD, 6"	CU YD	4900	$ 40.00	$ 196,000.00	TOPSOIL RESPREAD, 6"	CU YD	5230	$ 15.00	$ 78,450.00	4,550.00	(122,5[illegible]0.00)
SEEDING, CLASS 1A	ACRE	6	$ 3,500.00	$ 21,000.00	SEEDING, CLASS 1A	ACRE	6.2	$ 3,750.00	$ 23,250.00	750.00	1,500.00
SEEDING, CLASS 4B	ACRE	0.7	$ 5,000.00	$ 3,500.00	SEEDING, CLASS 4B	ACRE	0.7	$ 6,500.00	$ 4,550.00		1,050.00
STONE RIPRAP, CLASS A4	TON	870	$ 200.00	$ 174,000.00	STONE RIPRAP CLASS A4	TON	2025	$ 100.00	$ 202,500.00	115,[illegible]00.00	(27,000.00)
NITROGEN FERTILIZER NUTRIENT	POUND	360	$ 8.00	$ 2,[illegible]80.00	NITROGEN FERTILIZER NUTRIENT	POUND	372	$ 8.00	$ 2,976.00	96.00	
PHOSPHORUS FERTILIZER NUTRIENT	POUND	360	$ 8.00	$ 2,880.00	PHOSPHORUS FERTILIZER NUTRIENT	POUND	372	$ 8.00	$ 2,976.00	96.00	
POTASSIUM FERTILIZER NUTRIENT	POUND	360	$ 8.00	$ 2,880.00	POTASSIUM FERTILIZER NUTRIENT	POUND	372	$ [illegible]	$ 2,976.00	96.00	
EROSION CONTROL BLANKET	SQ YD	29000	$ 2.50	$ 72,500.00	EROSION CONTROL BLANKET	SQ YD	30150	$ 2.50	$ 75,375.00	2,875.00	
PERIMETER EROSION BARRIER	FOOT	1450	$ 8.00	$ 11,600.00	PERIMETER EROSION BARRIER	FOOT	1450	$ [illegible]	$ 11,600.00		
FLOATING SILT CURTAIN-TYPE I	FOOT	1000	$ 10.00	$ 10,000.00	FLOATING SILT CURTAIN-TYPE I	FOOT	1000	$ 30.00	$ 30,000.00		20,000.00
EARTH EXCAVATION	CU YD	30000	$ 25.00	$ 750,000.00	EARTH EXCAVATION	CU YD	37500	$ 7.00	$ 252,500.00	52,500.00	(540,000.00)
GRADING AND SHAPING BERM	L SUM	1	$ 10,000.00	$ 10,000.00	GRADING AND SHAPING BERM	L SUM	1	$ 65,000.00	$ 65,000.00		55,000.00
					HOT MIX ASPHALT SURFACE COURSE, MIX "D", N50	TON	150	$ 100.00	$ 15,000.00	15,000.00	
					AGGREGATE BASE COURSE, TYPE B, 2"	SQ YD	1335	$ 17.50	$ 23,362.50	23,362.50	
					TRIAXIAL GEOGRID REINFORCEMENT, TYPE [illegible]	SQ YD	1335	$ 10.00	$ 13,350.00	13,350.00	
					DECIDUOUS TREES	EACH	24	$ 700.00	$ 16,800.00	16,800.00	
					EVERGREEN TREES	EACH	9	$ 700.00	$ 6,300.00	6,300.00	
					SUPPLEMENTAL WATERING	UNIT	37	$ 100.00	$ 3,700.00	3,700.00	
					FRENCH DRAIN	L SUM	1	$ 15,000.00	$ 15,000.00	15,000.00	
					LIGHT POLE ASSEMBLY INSTALLATION	EACH	2	$ 2,500.00	$ 5,000.00	5,000.00	
					TRENCHING 2" CONDUIT (SHARED)	FOOT	1300	$ 11.50	$ 14,950.00	14,950.00	
					LIGHTING WIRE (#10) (3 CONDUCTOR)	FOOT	1300	$ 6.00	$ 7,800.00	7,800.00	
					PUMP WIRE (#2/0) (3 CONDUCTOR)	FOOT	1300	$ 8.00	$ 10,400.00	10,400.00	
					HANDHOLE (SPECIAL)	EACH	4	$ 1,800.00	$ 7,200.00	7,200.00	
					POND AERATION AIRMAX PS40, 3 DIFFUSER SYSTEM	EACH	1	$ 5,500.00	$ 5,500.00	5,500.00	
					1HP FOUNTAIN WITH LIGHTS	EACH	1	$ 3,200.00	$ 3,200.00	3,200.00	
					2-POLE BREAKER (20A)	EACH	1	$ 30.00	$ 30.00	30.00	
					2-POLE BREAKER (40A)	EACH	1	$ 70.00	$ 70.00	70.00	
FISHING PIER	L SUM		$150,000.00	$ 150,000.00	FISHING PIER	L SUM		$ 85,000.00	$ 85,000.00		(65,000.00)
STABILIZED CONSTRUCTION ENTRANCE	L SUM		$ 2,500.00	$ 2,500.00	STABILIZED CONSTRUCTION ENTRANCE	L SUM		$ 2,500.00	$ 2,500.00		
MOBILIZATION	L SUM		$ 20,000.00	$ 20,000.00	MOBILIZATION	L SUM		$ 50,000.00	$ 50,000.00		30,000.00
					OFF SITE TRANSPORTATION OF EXCESS MATERIAL	CY YD	8450	$ 15.00	$ 126,750.00	126,750.00	
Contingencies			Total Base	$ 1,552,240.00				Total Base	$ 1,213,290.50	453,750.50	$ (792,700.00)
Total as read			10%	$ 155,224.00							(155,224.00)
				$ 1,707,464.00				Total Corrected	$ 1,213,290.50	453,750.50	$ (947,924.00)
									(494,173.50)		(494,173.50)
Net Change											

The Engineer’s revised estimate for the revised scope of work of ($1,213,290.50) was still 21% higher than Schwartz's ($1,002,290.50) and 24% higher than Tenco’s proposal ($984,110.05).

TENCO AND KEVIN NUGENT CONSTRUCTION

Tenco Excavating Inc., which was ultimately awarded the Legacy Park Improvements – Phase II contract, is owned by Keith and Chad Nugent, Tim Nugent's nephews. The ultimate contract amount was $1,012,711.05. Kevin Nugent Construction was awarded a subcontract by Tenco for $107,169.00. Kevin Nugent is the brother of Tim Nugent.

WAIVER OF LIEN TO DATE

STATE OF ILLINOIS)
COUNTY OF KANKAKEE) SS

TO WHOM IT MAY CONCERN:

WHEREAS the undersigned has been employed by VILLAGE OF MANTENO
to furnish LEGACY PARK PHASE 2 IMPROVEMENTS
for the premises known as LEGACY PARK
of which VILLAGE OF MANTENO is the Owner.

THE undersigned, for and in consideration of TWO HUNDRED SEVENTEEN TWENTY ONE AND 00/100**
$217,021.00 Dollars, and other good and valuable considerations, the receipt whereof is hereby acknowledged, do(es) hereby waive and release any and all lien or claim of, or right to, lien, under the statutes of the State of Wisconsin, relating to mechanics' liens, with respect to and on said above-described premises, and the improvements thereon, and on the material, fixtures, apparatus or machinery furnished, and on the moneys, funds or other consideration due or to become due from the Owner, on account of all labor, services, material, fixtures, apparatus or machinery, furnished to this date by the undersigned for the above-described premises, INCLUDING EXTRAS.*

DATE 5/21/2025 COMPANY NAME TENCO EXCAVATING, INC.
ADDRESS 168 MOONEY DRIVE, BOURBONNAIS, IL 60914

SIGNATURE AND TITLE [redacted] president

*EXTRAS INCLUDE BUT ARE NOT LIMITED TO CHANGE ORDERS, ADDITIONAL AND WRITTEN, TO THE CONTRACT.

CONTRACTOR'S AFFIDAVIT

STATE OF ILLINOIS)
COUNTY OF KANKAKEE) SS

TO WHOM IT MAY CONCERN:

THE undersigned (Name) KEITH NUGENT being duly sworn, deposes and that
he or she is (Position) PRESIDENT
of (Company Name) TENCO EXCAVATING, INC. who is the
contractor furnishing LEGACY PARK PHASE 2 IMPROVEMENTS work on the building
located at MAPLE STREET AND 10000 NORTH
owned by VILLAGE OF MANTENO

That the total amount of the contract including extras is $1,012,711.05 on which he or she has received payment of 0.00 prior to this payment. That all waivers are true, correct and genuine and delivered unconditionally and that there is no claim either legal or equitable to defeat the validity of said waivers. That the following are the names of all parties who have furnished material or labor, or both, for said work and all parties having contracts for specific portions of said work or for material entering into the construction thereof and the amount due or to become due to each, and that the items mentioned include all labor and material required to complete said work according to plans and specifications:

NAMES	WHAT FOR	CONTRACT PRICE INCLDG EXTRAS*	AMOUNT PAID	THIS PAYMENT	BALANCE DUE
TENCO EXCAVATING, INC.	LABOR	$494,742.05	$0.00	$178,121.50	$316,620.55
EARTHWORKS BY LAVICKA	LANDSCAPE	$129,100.00	$0.00	$38,900.00	$90,200.00
KEVIN NUGENT CONST	PIER	$107,169.00	$0.00	$0.00	$107,169.00
WIRKUS PAVING	PAVING	$21,750.00	$0.00	$0.00	$21,750.00
KPI ELECTRIC	ELECTRICAL	$59,950.00	$0.00	$0.00	$59,950.00
PRAIRIE MATERIALS	STONE	$100,000.00	$0.00	$0.00	$100,000.00
ENO, INC.	TRUCKING	$100,000.00	$0.00	$0.00	$100,000.00
ALL LABOR FULLY PAID. ALL OTHER MATERIAL FROM FULLY PAID STOCK					
DELIVERED TO THE JOBSITE IN CO. OWNED VEHICLES.					
TOTAL LABOR AND MATERIAL INCLUDING EXTRAS*		$1,012,711.05	$0.00	$217,021.50	$795,689.55

That there are no other contracts for said work outstanding, and that there is nothing due or to become due to any person for material, labor or other work of any kind done or to be done upon or in connection with said work other than above stated.

SIGNED THIS 21st DAY OF May-2025

SIGNATURE [redacted]

SUBSCRIBED AND SWORN
TO BEFORE ME THIS 21st DAY OF May-2025

*EXTRAS INCLUDE BUT ARE NOT LIMITED TO CHANGE ORDERS, BOTH ORAL AND WRITTEN, TO THE CONTRACT

SIGNATURE [redacted]
Notary Signature & Seal

NOTARY PUBLIC STATE OF ILLINOIS
TIFFANY BRACK
OFFICIAL SEAL
Notary Public - State of Illinois
My Commission Expires
March 09, 2026

We noted another contract awarded to Tenco Excavating in the amount of $2,164,780.48 for Theis Park - Phase II improvements. Kevin Nugent Construction was awarded a subcontract by Tenco for $415,000.

FINAL WAIVER OF LIEN

STATE OF Illinois)
COUNTY OF Kankakee) SS

TO WHOM IT MAY CONCERN

WHEREAS the undersigned has been employed by VILLAGE OF MANTENO

to furnish PHASE 2 IMPROVEMENTS

for the premises known as THIES PARK

of which VILLAGE OF MANTENO is the Owner

THE undersigned, for and in consideration of Four Hundred Twenty Three Thousand Four Hundred Forty Two and 70/100*

$423,442.70 Dollars, and other good and valuable considerations, the receipt whereof is hereby acknowledged, do(es) hereby waive and release any and all lien or claim of, or right to, lien, under the statutes of the State of Illinois, relating to mechanics' liens, with respect to and on said above-described premises, and the improvements thereon, and on the material, fixtures, apparatus or machinery furnished, and on the moneys, funds or other consideration due or to become due from the Owner, on account of all labor, services, material, fixtures, apparatus or machinery, heretofore furnished, or which may be furnished at any time hereafter, by or on behalf of the undersigned, for the above-described premises, INCLUDING EXTRAS *

DATE 5/28/2025

COMPANY NAME TENCO EXCAVATING, INC.

ADDRESS 106 MOONEY DRIVE, BOURBONNAIS, IL 60914

SIGNATURE AND TITLE [redacted] , President

*EXTRAS INCLUDE BUT ARE NOT LIMITED TO CHANGE ORDERS, BOTH ORAL AND WRITTEN, TO THE CONTRACT

CONTRACTOR'S AFFIDAVIT

STATE OF Illinois)
COUNTY OF Kankakee) SS

TO WHOM IT MAY CONCERN:

THE undersigned (Name) KEITH NUGENT being duly sworn, deposes and that

he or she is (Position) PRESIDENT

of (Company Name) TENCO EXCAVATING, INC. who is the

contractor furnishing PHASE 2 IMPROVEMENTS work on the building

located at 800 PARK STREET, MANTENO, IL 60950

owned by VILLAGE OF MANTENO

That the total amount of the contract including extras is $2,164,760.48 on which he or she has received payment of $1,741,337.78 prior to this payment. That all waivers are true, correct and genuine and delivered unconditionally and that there is no claim either legal or equitable to defeat the validity of said waivers. That the following are the names of all parties who have furnished material or labor, or both, for said work and all parties having contracts for specific portions of said work or for material entering into the construction thereof and the amount due or to become due to each, and that the items mentioned include all labor and material required to complete said work according to plans and specifications.

NAMES	WHAT FOR	CONTRACT PRICE INCLDG EXTRAS*	AMOUNT PAID	THIS PAYMENT	BALANCE DUE
TENCO EXCAVATING, INC.	LABOR	$959,688.17	$799,924.97	$159,763.20	$0.00
NORWALK TANK CO.	STRUCTURES	$7,665.94	$7,665.94	$0.00	$0.00
KEVIN NUGENT CONST	CONCRETE	$415,000.00	$356,582.25	$58,417.75	$0.00
M&J UNDERGROUND	PAVING	$138,292.60	$60,761.30	$77,531.30	$0.00
U.S. TENNIS	STRIPING	$31,750.00	$28,575.00	$3,175.00	$0.00
PEERLESS FNCE	FENCE	$170,661.00	$153,594.90	$17,066.10	$0.00
VITAL LANDSCAPE	LANDSCAPE	$94,259.35	$50,000.00	$44,259.35	$0.00
CORE & MAIN	PIPES	$26,473.42	$26,473.42	$0.00	$0.00
RUDER ELECTRIC	ELECTRIC	$320,990.00	$257,760.00	$63,230.00	$0.00
TOTAL LABOR AND MATERIAL INCLUDING EXTRAS*		$2,164,760.48	$1,741,337.78	$423,442.70	$0.00

That there are no other contracts for said work outstanding, and that there is nothing due or to become due to any person for material, labor or other work of any kind done or to be done upon or in connection with said work other than above stated.

SIGNED THIS 28th DAY OF May-2025

SIGNATURE [redacted]

SUBSCRIBED AND SWORN TO BEFORE ME THIS 28th DAY OF May-2025

SIGNATURE [redacted]
Notary Signature & Seal

*EXTRAS INCLUDE BUT ARE NOT LIMITED TO CHANGE ORDERS, BOTH ORAL AND WRITTEN, TO THE CONTRACT

TIFFANY BRACK
OFFICIAL SEAL
Notary Public - State of Illinois
My Commission Expires
March 09, 2026

Tenco Excavating was also awarded the contract for the Main St. Streetscape Improvements. Their winning bid was $994,988.50, and the final contract amount, including change orders, was $1,064,275.50, an increase of $69,287.00 (7%). Kevin Nugent Construction was awarded a subcontract by Tenco for $330,285.00.

NOVOTNY ENGINEERING

CIVIL ENGINEERS
MUNICIPAL CONSULTANTS
SINCE 1948

March 17, 2022

Mr. Chris LaRocque
Village Administrator
Village of Manteno
98 East Third Street
Manteno, IL 60950

Re: **Main Street Streetscape**
Bid Tabulation

Dear Chris:

Listed below and on the attached *Tabulation of Bids* are the results of the March 17, 2022, bid opening for the above-captioned project. Four (4) bids were received and checked for accuracy, with one computational error found, which does not affect the low bid. The results are as follows:

Tenco Excavating, Inc.	**$994,988.50**
Kankakee Valley Corp. Co., Inc..	$1,001,271.50
Landmark Contractors, Inc..	$1,178,949.55
J&J Newell Concrete Const., Inc..	$1,279,646.68
Engineer's Estimate	$1,052,443.00

The low bidder was Tenco Excavating, Inc. submitting a bid in the amount of $994,988.50 which was $57,454.50 (5.46%) below the Engineer's Estimate of $1,052,443.00

Tenco Excavating, Inc. is qualified to perform this work. Therefore, we recommend that the Contract be awarded to **Tenco Excavating, Inc., 106 Mooney Dr., Bourbonnais, IL 60914**, in the amount of **$994,988.50.**

Please call if you have any questions regarding this matter.

Sincerely,

NOVOTNY ENGINEERING

B A Hill

Bruce A. Hill, P.E., Acting Village Engineer

BAH/clc
Enclosure
cc: File No. 21344

545 Plainfield Road, Suite A • Willowbrook, IL • 60527 • Telepnone: (630) 887-8640 • Fax: (630) 887-0132

WAIVER OF LIEN TO DATE

STATE OF ILLINOIS)SS
COUNTY OF KANKAKEE

GTY#__________
LOAN#__________

TO WHOM IT MAY CONCERN:
WHEREAS the undersigned has been employed by Village of Manteno to furnish Earthwork, Concrete, Asphalt work for the premises known as Main Street Streetscape Improvements, Manteno, IL of which Village of Manteno is the owner.

The undersigned, for and in consideration of Two Hundred Seventy Five Thousand Nine Hundred Thirty Six and 09/100---($ 275,936.09) Dollars, and other good and valuable consideration, the receipt whereof is hereby acknowledged, do(es) hereby waive and release any and all lien or claim of or right to, lien, under the statutes of the State of Illinois, relating to mechanics' liens, with respect to and on said above-described premises, and the improvements thereon, and on the material, fixtures, apparatus or machinery furnished, and on the moneys, funds or other considerations due or to become due from the owner, on account of labor, services, material, fixtures, apparatus, or machinery, furnished to this date by the undersigned for the above-described premises.

Given under my hand and sealed this 22nd day of August, 2022.

Signature and Seal: [redacted]

NOTE: All waivers must be for the full amount paid. If waiver is for a corporation, corporate name should be used, corporate seal affixed and title of officer signing waiver should be set forth; if waiver for a partnership, the partnership name should be used, partner should sign and designate himself as partner.

CONTRACTOR'S AFFIDAVIT

STATE OF ILLINOIS)SS
COUNTY OF KANKAKEE
TO WHOM IT MAY CONCERN:

THE undersigned, being duly sworn, deposes and say that he is Keith Nugent, president of Tenco Excavating, Inc. who is the contractor for the Earthwork, Concrete, Asphalt work on the premises known as Main Street, Manteno, IL owned by Village of Manteno. That the total amount of the contract including extras is $ 1,064,275.50 on which he has received payment of $ 534,526.87 prior to this payment. That all waivers are true, correct and genuine and delivered unconditionally and that there is no claim either legal or equitable to defeat the validity of said waivers. That the following are the names of all parties who have furnished material or labor, or both for said work and all parties having contracts of sub contracts for specific portions of said work or for material entering into the construction thereof and the amount due or to become due to each, and that the items mentioned include all labor and material required to complete said work according to plans and specifications:

NAME	WHAT FOR	CONTRACT PRICE	AMOUNT PAID	THIS PAYMENT	BALANCE DUE
TENCO EXCAVATING, INC.	LABOR	$ 308,221.75	$ 295,447.21	$ 1,578.09	$ 11,196.45
CORE & MAIN LP	PIPE	$ 3,000.00	$ 1,826.25	$ 542.89	$ 630.86
KVCC	ASPHALT	$ 134,436.00	$ 0.00	$ 113,221.35	$ 21,214.65
PRAIRIE MATERIAL	AGGREGATE	$ 10,000.00	$ 4,067.72	$ 0.00	$ 5,932.28
KEVIN NUGENT CONSTRUCTION, INC.	CONCRETE	$ 330,285.00	$ 203,820.29	$ 15,000.00	$ 111,464.71
UTILITY DYNAMICS CORP.	LIGHTING	$ 216,080.00	$ 26,172.00	$ 108,018.90	$ 81,889.10
GALLAGHER ASPHALT	CROSSWALKS	$ 41,749.85	$ 0.00	$ 37,574.86	$ 4,174.99
EARTHWORKS BY LAVICKA	LANDSCAPING	$ 17,309.50	$ 0.00	$ 0.00	$ 17,309.50
ELITE CONCRETE CUTTING	SAWCUTTING	$ 3,193.40	$ 3,193.40	$ 0.00	$ 0.00
		$ 1,064,275.50	$ 534,526.87	$ 275,936.09	$ 253,812.54

That there are no other contracts for said work outstanding, and that there is nothing due or to become due to any person for material, labor or other work of any kind done or to be done upon or in connection with said work other than above stated.

Signed this 22nd day of August, 2022.

Signature: [redacted]

Subscribed and sworn before me this 22nd day of August, 2022.

Signature: [redacted]

DENISE K MANN
OFFICIAL SEAL
Notary Public - State of Illinois
My Commission Expires
February 02, 2026

Below is a summary of the related family transactions between the Village of Manteno, Tenco, and Kevin Nugent Construction ("KNC") for these three projects:

Tenco Excavating/Kevin Nugent Construction Contract Award

Project	Tenco	KNC Subcontract
Legacy Park Phase Improvements - Phase 2	1,012,711.05	107,169.00
Theis Park - Phase II Improvements	2,164,780.48	415,000.00
Main St. Streetscape Improvements	1,064,275.50	330,285.00
Total for 3 Projects	4,241,767.03	852,454.00

We also found that Tenco was the successful bidder on the South Creek Park Shared Use Path and New Public Works Facility Site Work bids.

NOVOTNY ENGINEERING

CIVIL ENGINEERS
MUNICIPAL CONSULTANTS
SINCE 1948

June 16, 2022

Mr. Chris LaRocque
Village Administrator
Village of Manteno
98 East Third Street
Manteno, IL 60950

Re: **South Creek Drive Shared Use Path**
Bid Tabulation

Dear Chris:

Listed below and on the attached *Tabulation of Bids* are the results of the June 16, 2022, bid opening for the above-captioned project. Three (3) bids were received and checked for accuracy, with no errors found. The results are as follows:

Tenco Excavating, Inc.	**$315,361.00**
Ruben E. Smith Const. & R&R, Inc.	$316,839.80
Kankakee Valley Corp. Co., Inc.	$338,922.00
Engineer's Estimate	$382,620.00

The low bidder was Tenco Excavating, Inc. submitting a bid in the amount of $315,361.00 which was $67,259.00 (17.58%) below the Engineer's Estimate of $382,620.00

Tenco Excavating, Inc. is qualified to perform this work. Therefore, we recommend that the Contract be awarded to **Tenco Excavating, Inc., 106 Mooney Dr., Bourbonnais, IL 60914**, in the amount of **$315,361.00.**

Please call if you have any questions regarding this matter.

Sincerely,

NOVOTNY ENGINEERING

B A Hill

Bruce A. Hill, P.E., Acting Village Engineer

BAH/clc
Enclosure
cc: File No. 21477

545 Plainfield Road, Suite A • Willowbrook, IL • 60527 • Telephone: (630) 887-8640 • Fax: (630) 887-0132

NOVOTNY ENGINEERING

CIVIL ENGINEERS
MUNICIPAL CONSULTANTS
SINCE 1948

April 15, 2022

Mr. Chris LaRocque
Village Administrator
Village of Manteno
98 East Third Street
Manteno, IL 60950

Re: **New Public Works Facility**
Bid Package #3 – Site Work
Bid Tabulation

Dear Chris:

Listed below and on the attached *Tabulation of Bids* are the results of the April 14, 2022, bid opening for the above-captioned project. Four (4) bids were received and checked for accuracy, with one computational error found, which does not affect the low bid. The results are as follows:

Tenco Excavating, Inc.	**$1,897,556.90**
Ruben E. Smith Const. & R&R, Inc.	$2,135,377.64
Kankakee Valley Corp. Co., Inc.	$2,364,822.28
Integral Construction, Inc.	$2,563,200.00
Engineer's Estimate	$2,111,233.25

The low bidder was Tenco Excavating, Inc. submitting a bid in the amount of $1,897,556.90 which was $213,676.35 (10.12%) below the Engineer's Estimate of $2,111,233.25

Tenco Excavating, Inc. is qualified to perform this work. Therefore, we recommend that the Contract be awarded to **Tenco Excavating, Inc., 106 Mooney Dr., Bourbonnais, IL 60914**, in the amount of **$1,897,556.90.**

Please call if you have any questions regarding this matter.

Sincerely,

NOVOTNY ENGINEERING

B A Hill

Bruce A. Hill, P.E., Acting Village Engineer

BAH/clc
Enclosure
cc: File No. 21291

545 Plainfield Road, Suite A • Willowbrook, IL • 60527 • Telephone: (630) 887-8640 • Fax: (630) 887-0132

SUMMARY

From March 17, 2022, to June 16, 2022, Tenco Excavating was awarded three bids, with bid price differences ranging from 1% (for 2 bids) to 12% (for 1 bid). Tenco won the Legacy Park Phase 2 bid only because the Engineer, after the original bidding process was completed, decided to redefine the scope and rebid the project. Tenco won that bid by 2%. In each case, the Engineer's estimate exceeded the winning bid.

The Engineer's estimate exceeded the successful bidders' prices for all five bids by margins of 135%, 23%, 6%, 21%, and 11%, respectively.

There is no record of the bid openings being recorded. The documentation for the bid openings was inconsistent.

We did not see any effort by the Village to rebid the engineering services when Mr. Hill changed employers or negotiate a more competitive rate.

Exhibit XII is a handout of a seminar presented to the Illinois Local Government Lawyers Association in 2023 by Todd Greenberg, a senior attorney with Ancel Glink P.C. Mr. Greenberg provides additional guidance on ethics and conflicts of interest which the reader may find helpful. Mr. Greenberg authorized us to include his handout in our report.

GOLF COURSE SALE

Fund #57

BACKGROUND

The Village of Manteno inherited an 18-hole golf course, which had been part of the Manteno State Mental Hospital. The course, located at 7202 North 4000 East Road, Manteno, IL, was constructed in 1972 by the hospital. The hospital leased the course to Manteno for $1 per year under a 20-year lease signed on July 26, 1972. On June 4, 1979, the Village leased additional land from the hospital. The hospital closed in 1985, and the golf course came under the control of the Village. The golf course included two land parcels (132.19 acres), 03-02-26-400-004 (67.71 acres) and 03-02-26-400-005 (64.48 acres). Illinois Public Act 83-841 enacted on September 26, 1983, authorized the State of Illinois to transfer the 67.71 acres to the Village. The deed (Document Number 8400666) was filed on January 26, 1984. For the 67.71-acre parcel, the Illinois Department of Mental Health and Developmental Disabilities deeded the land to the Department of Central Management Services, which added a reverter clause before deeding the land to the Village. The land deed was filed twice, and each filing contained an error. The error was corrected on the second deed, which contained the reverter clause, but it is unclear if the first deed also contained the clause. A second 64.42 acre parcel was deeded directly to the Village by the Department of Mental Health and Developmental Disabilities without any restrictions.

The reverter clause issue, as well as discussions on selling the golf course, go back to at least the early 2000's.

The reverter clause stated:

> *Should the City of Manteno fail to use the property for public purposes or allow non-public use, fail to improve the property within 10 years, or **attempt to sell the property**, the **property shall revert to the State of Illinois**.*

To illustrate the history on this issue, below is an email with exhibits from 2001 explaining the chain of events concerning the transfer of the parcels to the Village. The email exhibits show that the parcel containing the reverter clause was deeded from the Illinois Department of Mental Health and Developmental Disabilities to the Illinois Department of Central Management Services on January 3, 1984. There was no reverter clause. On January 26, 1984, the Illinois Department of Central Management Services deeded the property to Manteno. This deed included a reverter clause.

It's unclear why the property was not transferred directly to Manteno by the Illinois Department of Mental Health and Developmental Disabilities, because on March 10, 1988, this department transferred the second parcel of land directly to Manteno. That transfer did not contain a reverter clause.

To: Trustee O'Reilly
From: David Bergdahl
Re: Golf Course Ownership
Date: 9/30/01

You asked if I would check on the ownership of the golf course because of the multiple deeds and "reverter" clause in the one deed. Upon review of the documents at the County assessor, I have found the following:

The golf course was deeded to the Village in two pieces: the original 9 holes was a 67.71 acre tract, the new 9 a 64.42 acre tract. The new nine appears to be very straightforward: there is one deed, dated 2/26/88, which was recorded on 3/10/88. The deed did not include any language which should concern us.

The original nine is a little trickier. For some reason, the state deeded this to the Village twice. Both deeds had defective legal descriptions (starting at the "southwest" corner instead of the "southeast" corner). The first deed was signed on 12/18/83, and recorded on 1/3/84. The second was signed on 1/3/84 and recorded on 1/26/84. Someone caught the wrong legal at the county, called the Village, and Jack Trepanier and Dave Zeglis apparently authorized the amendment of the deed to the proper legal. The deed that they changed appears to be the second, which includes a reverter clause so that the state regains ownership if the property is not improved or used for a municipal purpose.

Two questions arise:

1. I would tend to believe that Jack & Dave's authorization to amend the deed may not be effective as to change the state's intent.

2. If the second deed was the amended one, then the reverter may apply.

I would highly suggest that we refer this to Jamie Boyd for an opinion, or even better that we order a new title insurance policy on the course. This will settle any possible issues with the title. As a matter of prudent ownership, we should increase the title policy's value to incorporate the value of the new clubhouse, so we should do this anyway.

Document No. 84 00013 filed for record in the Recorder's Office of Kankakee County on January 3, 1984 at 9:53 o'clock A.M., Vol. ______ Page ______

[redacted], Recorder of Deeds

84- 00013

QUITCLAIM DEED

The Grantor, the State of Illinois, acting through its Department of Mental Health and Developmental Disabilities hereby conveys and quitclaims to the State of Illinois, Department of Central Management Services all interest in the following described real estate:

GENERAL DESCRIPTION

Commencing at the southwest corner of the southeast quarter of Section 26, Township 32 North, Range 12 east of the 3rd Principal Meridian in Kankakee County, Illinois; thence west along the south line of said Section 26,600.0 feet to a point; thence north 1°51' east, 1,347.31 feet to a point; thence north 87°37' west, 2,084.52 feet to a point; thence north 1°51' east, 442.55 feet to a point; thence south 87°38' east, 1,470.1 feet to a point; thence north 2°22' east, 625.0 feet to a point; thence south 87°38' east, 280.0 feet to a point; thence north 2°22' east, 215.0 feet to a point; thence south 87°38' east, 920.0 feet to a point on the east line of said Section 26; thence south 1°36' west, 2,656.2 feet along the east line of said Section 26 to the Point of Beginning. All being situated in Kankakee County, Illinois, containing 67.71 acres, more or less, subject to dedications of easement.

Dated this 18th day of December, 1983

By the State of Illinois,
Department of Mental Health & Developmental Disabilities

[redacted]
Michael Belletire, Director

84 JAN 3 A 9:53

DOC. No. 84 00013
STATE OF ILLINOIS KANKAKEE COUNTY
RECORDED ON MICROFILM
AT 9:53 am
JAN 3 1984

[redacted]
RECORDER

84- 00013

STATE OF ILLINOIS)
) SS
COUNTY OF SANGAMON)

I [redacted], a notary public, do hereby certify that Michael Belletire, Director of the Illinois Department of Mental Health & Developmental Disabilities appeared before me this day and acknowledged that he signed the attached instrument in his official capacity for the uses and purposes set forth therein.

Given under my hand and official seal this 12 day of December, 1983.

[redacted]
Notary Public

My Commission expires 9/10/86

SEAL NOTARY PUBLIC

This transaction is exempt under Section 4(b) of the Real Estate Transfer Tax Act (Ill. Rev. Stat. Ch. 120, Par. 1004)

This instrument was prepared by the State of Illinois, Department of Central Management Services.

Document No. 84 00666 filed for Record in the Recorder's Office of Kankakee County on JAN 26 1984, at 2:31pm o'clock, Vol. ______, Page ______ Recorder of Deeds, ______

1 Gz

QUITCLAIM DEED

THIS INDENTURE WITNESSETH that the Grantor, STATE OF ILLINOIS, by and through its Department of Central Management Services, pursuant to authority granted under the provisions of Public Act 83-841, CONVEYS AND QUITCLAIMS to the City of Manteno, Illinois, a municipal corporation, Grantee, all right, title and interest in the following described real estate:

84- 00666

DETAILED DESCRIPTION

Commencing at the Southwest corner of the Southeast Quarter of Section 26, Township 32 North, Range 12 East of the 3rd Principal Meridian in Kankakee County, Illinois; thence West along the South line of said Section 26, 600.0 feet to a point; thence North 1°51' East, 1,347.31 feet to a point; thence North 87°37' West, 2,084.52 feet to a point; thence North 1°51' East, 442.55 feet to a point, thence South 87°38' East, 1,470.1 feet to a point; thence North 2°22' East, 625.0 feet to a point; thence South 87°38' East, 280.0 feet to a point; thence North 2°22' East, 215.0 feet to a point; thence South 87°38' East, 920.0 feet to a point on the East line of said Section 26; thence South 1°36' West, 2,656.2 feet along the East line of said Section 26 to the Point of Beginning. All being situated in Kankakee County, Illinois, containing 67.71 acres, more or less, subject to dedications of easement.

Should the City of Manteno fail to use the property for public purposes or allow non-public use, fail to improve the property within 10 years, or attempt to sell the property, the property shall revert to the State of Illinois.

Dated this 3rd day of January, 1984

The State of Illinois, by and through its Department of Central Management Services

By: [redacted]

Louis J. Giordano, Director

Mail Tax Bill To

Village of Manteno

[illegible]

Manteno, Illinois

[illegible]

Doc. No. 84 00666

STATE OF ILLINOIS KANKAKEE COUNTY

RECORDED ON MICROFILM

at 2:31pm

JAN 26 1984

RECORDER

Exempt under provisions of Paragraph E Section 4, Real Estate Transfer Tax Act.

1-26-84

Date

Buyer, Seller or Representative

183

Document No. ______________________ filed for record in the Recorder's

Office of ______KANKAKEE______ County on ____________________,

198__, at ______o'clock ______.M., Vol. _____Page_______.

______________________, Recorder of Deeds

DOC. No. 88 01960

9:36 A.M.

MAR 10 1988

Quitclaim Deed

RECORDER MT

Pursuant to Section 4 of Public Act Number 85-912 the Grantor, Ann M. Kiley, the Director of the Department of Mental Health and Developmental Disabilities, acting on behalf of the People of the State of Illinois, for the consideration of one (1) dollar, conveys and quitclaims to the Village of Manteno, Illinois, a municipal corporation, all interest in the following described real estate:

Commencing at the Southwest corner of the Southeast Quarter of Section 26, Township 32 North, Range 12 East of the 3rd Principal Meridian in Kankakee County, Illinois; thence North 1°51' East along the West line of the Southeast Quarter of said Section 26, 1,340.62 feet to a point; thence South 87°37' East, 2,084.52 feet to a point; thence South 1°51' West, 1,347.31 feet to a point on the South line of said Section 26; thence West along the South line of said Section 26, 2,092.49 feet to the point of beginning, subject to dedications of easement.

283

Said tract containing 64.42 acres more or less situated in the County of Kankakee, in the State of Illinois.

Signed and sealed this 26th day of February, 1988.

[redacted]

Ann M. Kiley

Director, Department of Mental Health and Developmental Disabilities

(SEAL)

63
30

State of Illinois,)
County of Sangamon. } ss.

I, [redacted], a notary public, do hereby certify that Ann M. Kiley, personally known to me to be the person whose name is subscribed to the foregoing instrument and personally known to me to be the duly appointed and Director of the Department of Mental Health and Developmental Disabilities of the State of Illinois, appeared before me this day in person and acknowledged that she signed, sealed and delivered the foregoing instrument as her free, and voluntary act and in her official capacity as Director of the Department of Mental Health and Developmental Disabilities of the State of Illinois, for the uses and purposes set forth therein.

Given under my hand and official seal this 26 day of February A.D. 1988.

[redacted]
Notary Public

My Commission expires 10-2-90.

OFFICIAL SEAL
MIRIAM D DANNENBERGER
NOTARY PUBLIC STATE OF ILLINOIS
COMMISSION EXP. OCT 2 1990

This transaction is tax exempt under Chapter 120, paragraph 1004(b) of the Illinois Revised Statutes.

This instrument was prepared by the State of Illinois, Department of Mental Health and Developmental Disabilities.

88- 01960

PERMANENT REAL ESTATE INDEX NUMBER SYSTEM -- CHANGE RECORD -- KANKAKEE

DATE 6/18/84 DOC. Manteno Twp.

MAP NO 2-R

☐ TRANSFER
☐ CONSOLIDATION
☒ DIVISION
☐ OTHER

REMARKS These 2 deeds deed first 67.71 acres

84-0013 + 84 0666

ROUTE:	INITIAL	DATE
TREAS.	
SUP. OF ASSETS	C	7/30/84
DATA PROC.	
MAP DEPT.	mfa	6/18/84

PERMANENT NUMBER	LEGAL DESCRIPTION	LOT & OR SEC.	BLK. & OR TWP.	ACRES & OR RNG.	NAME & ADDRESS	TAX CODE	VALUES
02 26 400 001							
02 26 400 003	SE 1/4 w/o tract Bal 92.29 Ac	26	32	12E	State of Ill.	5	Exempt
02 26 400 004	Tract in SE 1/4 as Desc. Doc # 84-0013 + 84-0666 Bal 67.71 Ac	26	32	12E	Village of Manteno N Main St. Manteno Il 60950 Reduced 90% and off completely for 85	1	9027 12772 21799

We also found a document, signed by John Nelson, the Chairman of the Village's Finance Committee, stating that John Boyd, then the Village's attorney, had stated on August 31, 2001, that the Village needed an appraisal because the sale of the golf course required a referendum. We have not found any correspondence from Mr. Nelson.

> *According to Village Attorney Boyd (on 8/31/2001), we cannot sell the course without a referendum. The earliest we can run a referendum is March 2002. I personally feel we should run the referendum, but this should be our last option.*

1135 to 97

GOLF COURSE:

Based on recent conversations, it's time to review our options and move forward with an action plan for the Manteno Municipal Golf Course. Before we do anything, we need to get an appraisal on the course and clubhouse. Options are:

1) Sell the Golf Course: According to Village Attorney Boyd (on 8/31/2001), we can not sell the course without a referendum. The earliest we can run a referendum is March 2002. I personally feel we should run the referendum but that this should be our last option.

2) Lease: Negotiate with someone to lease the course and clubhouse, or just the clubhouse operations. The purpose would be to obtain enough cash to cover loans/debt and to generate revenue for the Parks and Recreation system.

3) Loan/Bond the Debt: The Golf Course currently owes the Village's General Fund around $350,000. We will owe loan payments of about $50,000 in October and April. Therefore, I'd recommend we obtain a loan or refinance the Golf Course Operations with an additional $500,000 loan ($50,000 more for cash flow) and repay all money back to the General Fund.

As I stated earlier, the first thing we need is the appraisal. I am recommending we implement Option 3 immediately. This will also be addressed in our annual audit report for FY 2000-2001, as "recoverability of interfund obligation." We have been informed that the "start-up costs" are now complete. Therefore, the course should start generating revenue. We should give the course a chance to operate at a profit.

However, I believe we should run the referendum in March 2002, "to sell the Golf Course if it fails to operate at a profit." If the golf course operations exceed the $50,000 added on the loan, the Village should follow the directions given by the people on the referendum in March 2002. If the golf course operations operate within the guidelines above, we should continue to own and operate the course.

This is just my opinion. However, I'm sure our auditor will be discussing Option 3 with the entire Board during his presentation in September. I think it's our only short-term option.

Respectfully,

[redacted]

John Nelson
Chairman, Finance Committee

We did not find any additional references to a referendum requirement and did not see any documents that explained why the Village attorney believed a referendum was required.

In 2004, the Village was considering the sale of the Golf course, and Stewart Diamond, an attorney with Ancel Glink, drafted the following letter to Paul Nicholson, who was the Village Administrator at the time.

MANAGER'S MEMO
04 - 35

DATE: AUGUST 26, 2004

TO: PRESIDENT & BOARD OF TRUSTEES

FROM: PAUL C. NICHOLSON

RE: GOLF COURSE PROPERTY – OWNERSHIP DETERMINATION OUTLINE

Enclosed is Stewart Diamond's letter confirming our telephone conversation and detailing the steps to be taken in determining the Village Board's right to sell that portion of the Golf Course subject to a restrictive deed.

Please review Mr. Diamond's letter and if there are questions please contact me at once.

Cc: Robin Batka, Village Clerk
Janice Schulteis, Resource Manager

FACSIMILE (312) 782-0943

LAW OFFICES

ANCEL, GLINK, DIAMOND, BUSH, DICIANNI & ROLEK, P.C.

FACSIMILE DATA TRANSMISSION

DATE: August 25, 2004

NUMBER OF PAGES: 4
(Including this page)

TO: Paul Nicholson - 815/468-8240

FAX NO.:

FROM: Stewart H. Diamond

BILLING NO.:

RE:

COMMENTS:

IF ANY PROBLEMS RESULT DURING TRANSMISSION OF THIS DOCUMENT, PLEASE CALL **DALE** at **(312) 782-7606**.

Please return fax to: *Dale Rollins*

LAW OFFICES

ANCEL, GLINK, DIAMOND, BUSH, DICIANNI & ROLEK, P.C.

DUPAGE COUNTY OFFICE
511 WEST WESLEY STREET
WHEATON, ILLINOIS 60187
(630) 682-4047
(312) 782-0943 FAX

KANE COUNTY OFFICE
29 NORTH RIVER STREET
BATAVIA, ILLINOIS 60510
(630) 761-1676
(630) 406-6363 FAX

140 SOUTH DEARBORN STREET
THE MARQUETTE BUILDING
SIXTH FLOOR
CHICAGO, ILLINOIS 60603
(312) 782-7606
(312) 782-0943 FAX
WWW.ANCELGLINK.COM

LAKE COUNTY OFFICE
415 W. WASHINGTON STREET, SUITE 202
WAUKEGAN, ILLINOIS 60085
(847) 244-8692
(847) 244-8671 FAX

McHENRY COUNTY OFFICE
4 EAST TERRA COTTA AVENUE
CRYSTAL LAKE, ILLINOIS 60014
(815) 477-8980
(847) 244-8671 FAX

August 25, 2004

STEWART H. DIAMOND
CHICAGO OFFICE / EXT. 109
SDIAMOND@ANCELGLINK.COM

VIA TELEFAX (815-468-8240)
AND FIRST CLASS MAIL

Mr. Paul Nicholson
Village Administrator
Village of Manteno
269 North Main Street
Manteno, Illinois 60950

RECEIVED
AUG 23 2004
CITY MANAGER
PCN

Re: Ownership of Golf Course Property

Dear Paul:

The area currently used as the Manteno Municipal Golf Course was deeded to the Village of Manteno in two steps. The Village received one deed, which was unconditional, and another deed, which contained a covenant restricting the use of the property to recreational purposes. The Village may be considering the sale of some or all of the Golf Course. In order to assist the Village in determining whether this is feasible, you have asked us to clarify whether the Village has the right to sell the portion of the Golf Course, which came to the Village under a restrictive deed. I told you that I envisioned a number of steps to be taken, one after the other, with each step having the potential for resolving the issue in a way favorable to the Village's transfer of the land. It is obviously a policy decision for the Village Board to eventually make whether it wishes to transfer the land, but the Board needs to know at an early stage whether such a transfer is possible.

The steps which we will take in an effort to answer this question are, as follows:

1. We will discuss the terms of the restrictive deed with the Chicago Title and Trust Company. Based upon its experience, CT&T may have concluded that the language used by the State in this transfer was not truly intended to prevent the Village from making a transfer, especially after an extended period of time. If Chicago Title & Trust is prepared to issue a title policy equal to the amount of the sale price of the property, a purchaser may be willing to accept the transfer of the property by Quit Claim Deed without an additional warranty from the Village.

2. If the Title Company refuses to insure over the restrictive covenant, we should probably contact the employee of the State who wrote a letter to Trustee Burke stating that the Village had title to the property. The difficulty with that letter is that it talks about a lease which is no longer in force, and doesn't address in any way the reverter clause in the Deed. I suspect that, when this is brought to the attention of the signer of that letter, he will say that he never intended to interpret the effect, if any , of the reverter clause.

3. If we have no success there, I think we should next talk with Chad Walker at the Chicago Office of the Department of Central Management Services. He may tell us that the State has a policy of not enforcing such provisions and we might be able to procure a letter from him to that effect. If, on the other hand, he says that the "Deed means what it says," we will need to go further.

4. The next step would be to contact our State Senator or State Representative to see whether they can assist us either with the State Agency or with the Governor's Office in getting some form of waiver of this condition. It may also be that there is some standard piece of legislation which is passed each session in which the State agrees to waive certain conditions like this. We could also discuss this matter with the Governor's Office.

5. A final approach would be to determine whether a declaratory judgment action, to invalidate this clause, could be filed against the State agency in your local county court. Perhaps the State would not contest such a lawsuit and the trial court judge could enter a default judgment in favor of the Village. There also may be some grounds upon which we could argue for the invalidity of that term even if the State chose to fight the lawsuit.

6. If there is no way to remove this restriction, the Village could consider selling the property to a developer who would use it for a purpose which does not violate the restrictive covenant or coordinate development on the two parcels with non-recreational on the parcel without the restriction.

We will pursue these options. Once we get beyond some preliminary discussion with your State elected officials in Step 4, we will really need to seek additional advice from the Village

LAW OFFICES

ANCEL, GLINK, DIAMOND, BUSH, DICIANNI & ROLEK, P.C.

Mr. Paul Nicholson
Manteno, Illinois 60950

August 25, 2004

Page 3

Board. Because this matter involves the title to land and probable litigation, we could discuss this matter in closed session.

Yours sincerely,

[redacted]

Stewart H. Diamond

SHD:dar
DROLLINS\L:\MY DOCUMENTS\MANTENO\NICHOLSON-3-LTR.WPD

The Golf course was operated by the Village until 2006, when operations were assumed by a 501(c)3 nonprofit corporation, "Save Our Golf Course". The course closed in October 2021 when the nonprofit failed to renew its lease.

REMOVAL OF REVERTER CLAUSE

The Village elected to pursue the elimination of the reverter clause via the legislative route.

On February 15, 2019, Senator Elgie R. Sims Jr. introduced Senate Bill 1597. The bill was enacted into law as PA 101-0607 on December 13, 2019. Article 4 of this Act authorized the Village to buy out the reverter clause by obtaining three (3) valuations. As noted in the email chain below, other unrelated portions of the bill were added during the process to address other sales of state property, and the valuation process occurred well before the bill was passed and signed into law.

The Act stated:

ARTICLE 4.

(P.A. 83-841, Sec. 2 rep.) Section 4-5. "An Act authorizing the Director of Central

Management Services to convey certain described lands", approved September 26, 1983, Public Act 83-841, is amended by repealing Section 2.

Section 4-10. "An Act authorizing the Director of Central

Management Services to convey certain described lands", approved September 26, 1983, Public Act 83-841, is amended by adding Section 2.5 as follows:

(P.A. 83-841, Sec. 2.5 new)

Sec. 2.5. The Department of Central Management Services shall execute and record a release of the reverter clause contained in the quitclaim deed filed in the office of the

Kankakee County Recorder on January 26, 1984 as Document No. 84 00666 upon the payment by the Village of Manteno to the State of Illinois of the fair market value as determined by 3 appraisals procured by the Village of Manteno using conditions agreed upon by the State of Illinois for such appraisals.

Public Acts - 101-0607
https://www.ilga.gov/Legislation/PublicActs/PrinterFriendly/101-0607

Valuations

The valuations were procured by the Village Attorney, Joseph Cainkar. We were unable to find the RFP for this project. The firms selected for the valuations included:

- Brorsen Appraisal Service PC - Kankakee, IL
- The Gorman Group LTD – East Hazel Crest, IL
- Atlas Appraisal Service LTD – Bourbonnais, IL

The firms inspected the Golf Course on July 2, 2019. This inspection date became the valuation date for all three firms.

The value estimates provided by the three firms were:

- Brorsen Appraisal Service PC: $1,071,000 as a golf course
- The Gorman Group Ltd: $325,000 - as an 18-hole golf course, $295,000 - as a 9-hole golf course.
- Atlas Appraisal Service Ltd.: $380,000, as an 18-hole golf course.

Below is the Summary of Value Page for each appraisal. The full appraisals are found in Exhibit XIII.

SUMMARY OF SALIENT FACTS

Subject Property:	The Manteno Golf Course 7202 N. 4000E Road, Manteno, Illinois 60950
Client:	Louis F. Cainkar, Ltd. Mr. Joseph Cainkar, Attorney at Law 20 North LaSalle, Suite 3430, Chicago, Illinois 60602
Appraisers:	Matthew V. Brorsen Andrew Brorsen, MAI, SRA, ARA
Engagement:	*Brorsen Appraisal Service, P.C.* was engaged by Mr. Cainkar, Attorney at Law of Louis F. Cainkar, Ltd. on June 3, 2019 to provide a current market value opinion of the identified subject property assuming fee simple ownership rights.
Interest Appraised:	Fee Simple Interest is defined herein
Appraisal Purpose:	Market value opinion as of the effective date of appraisal
Intended Use:	Decisions for asset evaluation
Intended Users:	Client - Louis F. Cainkar, Ltd., with no other intended user
Reasonable Exposure:	8 to 24 months prior to effective date
Highest & Best Use	
As If Vacant:	Agricultural Use
As Improved:	Agricultural Use
Date of Observation	July 2, 2019
Date of Valuation:	July 2, 2019
Date of Report:	September 6, 2019
Value Descriptions:	Land Valuation, Cost Summation and Sales Comparison Approaches
Land Value Opinion:	*$1,071,000 RD*
Cost Summation:	*Misleading*
Income Capitalization:	*Not Applicable*
Sales Comparison:	*$705,000 RD*
Final Value Opinion:	***$1,071,000 RD***
Hypothetical Conditions:	No Hypothetical Conditions are required for this appraisal report.
Special Assumptions:	No Special Assumptions are required in this appraisal.

SUMMARY

Subject:	Manteno Golf Course 7202 N 4000 East Rd. Manteno, IL 60950
Parcel Number:	03-02-26-400-004 (Main Parcel) being appraised *03-02-26-400-005 secondary parcel included within part of our analysis because there is extensive reference to it inasmuch as it contains eight of the 18-hole overall golf course.* The final value however is of 03-02-26-400-004 only
Client(s):	Village of Manteno 98 East Third St Manteno, Illinois, 60950

Ordered by: Joseph Cainkar, Village Attorney

Intended Users:	The State of Illinois
Existing Use:	18-hole public golf course
Lot Size:	±132.152 acres according to Kankakee County public records
Building Size:	±11,000 SF- Clubhouse Two, ±2,100 SF-Maintenance/Storage Buildings

Opinion of Market Value(s) Assuming a Fee Simple interest:

As an 18-Hole Golf Course	$325,000.00
As a 9-Hole Golf Course	$285,000.00

Opinion of Market Value(s)

Assuming a Determinable Fee interest:	$ -0-

Date of Valuation:	July 2, 2019
Date of Inspection:	July 2, 2019
Date of Report:	July 30, 2019

Summary of Facts

Purpose of Report	Estimate Market Value
Interest Appraised	Fee Simple, Unencumbered
Property Appraised	Golf Course & Club House
Address	7202 N 4000E Road Manteno, Illinois 60950
Land Area	67.71 acres +/-
Building Area	6,573 +/- square feet - Clubhouse
Year Built	2001
Description	18 hole municipal golf course with banquet facilities and clubhouse, constructed with brick, frame and block. (10 holes & Clubhouse subject of report)
Highest and Best Use	As Improved
Actual Age	18 years +-
Effective Age	10-15 years +/-
Value Indications	
COST APPROACH	Not Applicable
SALES COMPARISON APPROACH	$ 380,000
INCOME CAPITALIZATION APPROACH	Not Applicable
Final Estimate of Market Value:	**$ 380,000**
Date of Valuation:	July 2, 2019
Date of Report:	August 8,.2019

We did not analyze the appraisers' methodology or assumptions. We did not find the calculations used by the Village Attorney and Village officials to arrive at the reverter price of $352,334. **We also did not find any discussion or recommendation to return the parcel to the State of Illinois, which would have saved the Village the cost of the appraisals and the cost of the buyout of the reverter clause.**

We did see from the email string presented in the next section that the Village had determined a price in October 2019, long before the Village formally considered approving the expenditure.

Reverter Clause Buyout

During a Board meeting on January 21, 2020, Trustee Gesky introduced Ordinance 19-30, authorizing the expenditure of funds to buy out the reverter clause. The ordinance authorized the expenditure of $352,334 to buy out the reverter clause. The funds were expended on January 31, 2020. After one year, the Village was now able to sell the property.

Here is a chain of communications related to the negotiations and expenditure of funds to buy out the clause. Of interest is a handwritten note on the agenda for the Committee of the Whole meeting on January 20, 2020, indicating that the question of payment to remove the reverter clause did not arise until it was raised by the Illinois House. **At no time did we see any discussion of returning the land to the State or repurposing it for another use by the Village, both of which were cost-free alternatives.**

The emails below show that the former mayor and the village attorney were using personal email accounts (Timnugent@aol.com & jcainkar@aol.com) to discuss Village business. The firm email signature shown on Mr. Cainkar's emails is joe@lfcltd.net.

Sheila Martin

From: Sheila Martin
Sent: Tuesday, January 28, 2020 12:19 PM
To: timnugent@aol.com; Chris LaRocque; jcainkar@aol.com
Subject: RE: [External] Re: SB 1597 signed
Attachments: CashierCk-CMS.pdf

James Lesniak should receive & sign for $ 352,334 cashier's check from the Village of Manteno on January 29, 2020.

Sheila Martin
Treasurer
Manteno
815.929.4846

From: timnugent@aol.com <timnugent@aol.com>
Sent: Monday, January 27, 2020 10:25 AM
To: Chris LaRocque <clarocque@villageofmanteno.com>; jcainkar@aol.com
Cc: Sheila Martin <samartin@villageofmanteno.com>
Subject: Re: [External] Re: SB 1597 signed

Make copies of the check and the mailing information and forward to Joe and me. Also ask for a signature upon receipt of the check.

-----Original Message-----
From: Chris LaRocque <clarocque@villageofmanteno.com>
To: Joe Cainkar <jcainkar@aol.com>; Tim Nugent <timnugent@aol.com>
Cc: Sheila Martin <samartin@villageofmanteno.com>
Sent: Mon, Jan 27, 2020 9:23 am
Subject: RE: [External] Re: SB 1597 signed

Yes, we will send the check directly. Probably send it registered? Once processed I assume we'll get the new clean deed to be recorded here?

Chris LaRocque
Village of Manteno
Administrator
815-929-4842

From: Joe Cainkar <jcainkar@aol.com>
Sent: Monday, January 27, 2020 9:07 AM
To: Chris LaRocque <clarocque@villageofmanteno.com>; Tim Nugent <timnugent@aol.com>
Subject: Fwd: [External] Re: SB 1597 signed

Chris,

Do you want to issue the check and have it delivered directly to him? Does not make much sense to come to me to go to Springfield.

Joseph Cainkar
Louis F. Cainkar, Ltd.
30 North LaSalle, Suite 3430
Chicago, IL 60602
(312) 236-3985
joe@lfcltd.net

-----Original Message-----
From: Lesniak, James <James.Lesniak@Illinois.gov>
To: Joe Cainkar <jcainkar@aol.com>; Abbott, Kathleen <Kathleen.Abbott@illinois.gov>
Cc: Pittman, Michael <Michael.Pittman@Illinois.gov>
Sent: Mon, Jan 27, 2020 8:32 am
Subject: RE: [External] Re: SB 1597 signed

Joe –

Per our fiscal department, the check is to be payable to "CMS Facilities Management Revolving Fund" and would be forwarded to my attention so I may deliver to the proper party for deposit.

Jim

James B. Lesniak | Property Management Counsel
Department of Central Management Services
401 South Spring Street, Room 720, Springfield, Illinois, 62706
Office Phone #: 217.782.4631
james.lesniak@illinois.gov

From: Joe Cainkar <jcainkar@aol.com>
Sent: Friday, January 24, 2020 1:12 PM
To: Lesniak, James <James.Lesniak@Illinois.gov>; Abbott, Kathleen <Kathleen.Abbott@illinois.gov>
Cc: Pittman, Michael <Michael.Pittman@Illinois.gov>
Subject: Re: [External] Re: SB 1597 signed

Thanks

Joseph Cainkar
Louis F. Cainkar, Ltd.
30 North LaSalle, Suite 3430
Chicago, IL 60602
(312) 236-3985
joe@lfcltd.net

-----Original Message-----
From: Lesniak, James <James.Lesniak@Illinois.gov>
To: Joe Cainkar <jcainkar@aol.com>; Abbott, Kathleen <Kathleen.Abbott@illinois.gov>
Cc: Pittman, Michael <Michael.Pittman@Illinois.gov>

Sent: Fri, Jan 24, 2020 12:53 pm
Subject: RE: [External] Re: SB 1597 signed

We are waiting on the fiscal department to give up that information to pass that on to you.

Jim

James B. Lesniak | Property Management Counsel
Department of Central Management Services
401 South Spring Street, Room 720, Springfield, Illinois, 62706
Office Phone #: 217.782.4631
james.lesniak@illinois.gov

From: Joe Cainkar <jcainkar@aol.com>
Sent: Friday, January 24, 2020 12:51 PM
To: Abbott, Kathleen <Kathleen.Abbott@illinois.gov>
Cc: Pittman, Michael <Michael.Pittman@illinois.gov>; Lesniak, James <James.Lesniak@illinois.gov>
Subject: Re: [External] Re: SB 1597 signed

Following up on my email of Wednesday. I received no response.

Thanks

Joseph Cainkar
Louis F. Cainkar, Ltd.
30 North LaSalle, Suite 3430
Chicago, IL 60602
(312) 236-3985
joe@lfcltd.net

-----Original Message-----
From: Joe Cainkar <jcainkar@aol.com>
To: Kathleen.Abbott <Kathleen.Abbott@illinois.gov>
Cc: Michael.Pittman <Michael.Pittman@illinois.gov>; James.Lesniak <James.Lesniak@illinois.gov>
Sent: Wed, Jan 22, 2020 9:32 am
Subject: Re: [External] Re: SB 1597 signed

All, I am attaching Village of Manteno Ordinance 19-30 passed and approved last night. I can provide you with a hard copy if needed.

I still need a payee for the check, and instructions where to send the check in order to wrap this up.

Thank you,

Joseph Cainkar
Louis F. Cainkar, Ltd.
30 North LaSalle, Suite 3430
Chicago, IL 60602

(312) 236-3985
joe@lfcltd.net

-----Original Message-----
From: Abbott, Kathleen <Kathleen.Abbott@illinois.gov>
To: Joe Cainkar <jcainkar@aol.com>
Cc: Pittman, Michael <Michael.Pittman@illinois.gov>; Lesniak, James <James.Lesniak@illinois.gov>
Sent: Thu, Jan 9, 2020 2:37 pm
Subject: RE: [External] Re: SB 1597 signed

Jim – please work with BoPM Fiscal and Joe to answer his questions and send a copy of the QCD for his review.

Thanks!

Kathleen Abbott
312.814.2591
Kathleen.abbott@illinois.gov

From: Joe Cainkar <jcainkar@aol.com>
Sent: Thursday, January 09, 2020 2:29 PM
To: Abbott, Kathleen <Kathleen.Abbott@illinois.gov>; Kalaycioglu, Aysegul <Aysegul.Kalaycioglu@illinois.gov>; Butler, Wendy <Wendy.Butler@illinois.gov>; CWalsh@hds.ilga.gov
Cc: Pittman, Michael <Michael.Pittman@illinois.gov>; Lesniak, James <James.Lesniak@illinois.gov>
Subject: Re: [External] Re: SB 1597 signed

Kathleen,

Sounds good. Couple things:

(1) The Village is going to do it by ordinance, not resolution. It is more formal than a resolution, and I just want to cover my bases dealing with real property. I don't think that would be issue with you but please inform me if I am mistaken.

(2) A cashier's check is fine. Please tell me if it would be made out to the Department of Central Management Services, the State of Illinois, or something different so that I can include the payee information in the authority granted in the ordinance.

(3) Obviously, I would like to review the deed before releasing funds.

Let me know on the above. Once I get your confirmation, I will get the ordinance drafted and have it placed on the agenda for the Village's January 21, 2019 meeting (January 20 is MLK day).

Thanks

Joseph Cainkar
Louis F. Cainkar, Ltd.
30 North LaSalle, Suite 3430
Chicago, IL 60602
(312) 236-3985
joe@lfcltd.net

-----Original Message-----
From: Abbott, Kathleen <Kathleen.Abbott@illinois.gov>
To: Joe Cainkar <jcainkar@aol.com>; Kalaycioglu, Aysegul <Aysegul.Kalaycioglu@illinois.gov>; Butler, Wendy <Wendy.Butler@illinois.gov>; CWalsh@hds.ilga.gov <CWalsh@hds.ilga.gov>
Cc: Pittman, Michael <Michael.Pittman@illinois.gov>; Lesniak, James <James.Lesniak@illinois.gov>
Sent: Thu, Jan 9, 2020 1:53 pm
Subject: RE: [External] Re: SB 1597 signed

Joe,

The research our lawyers conducted indicated that CMS will able to execute a QCD based on the Public Act, and won't require a separate agreement with the Village. Here's the summary of the process:

> Pursuant to Article 4 of Public Act 101-0607 (attached), The Department of Central Management Services ("CMS") is empowered to execute a quit claim deed to remove the reverter clause from the Manteno Golf Course property previously deeded to the Village of Manteno ("Village") in exchange for the fair market value of the land. Pursuant to the appraisals provided by the Village of Manteno, $352,334.00 is the fair market value.
>
> Once CMS has received a copy of the Village resolution authorizing the expenditure of funds, CMS shall forward payment information to the Village. Our fiscal department is requesting a cashier's check as the form of payment. Upon payment, the fully executed quit claim deed shall be presented to the Village for recording.

Please let me know if you have any questions or need any additional direction on this.

Thanks!

Kathleen

Kathleen Abbott
312.814.2591
Kathleen.abbott@illinois.gov

From: Joe Cainkar <jcainkar@aol.com>
Sent: Thursday, January 09, 2020 9:09 AM
To: Abbott, Kathleen <Kathleen.Abbott@illinois.gov>; Kalaycioglu, Aysegul <Aysegul.Kalaycioglu@illinois.gov>; Butler, Wendy <Wendy.Butler@illinois.gov>; CWalsh@hds.ilga.gov
Cc: Mehta, Rupal <Rupal.Mehta@illinois.gov>; Pittman, Michael <Michael.Pittman@illinois.gov>
Subject: Re: [External] Re: SB 1597 signed

Kathleen,

I just wanted to follow up on this so I can advise the Village on the transactional steps and prepare an ordinance for the Village's next meeting.

Thanks,

Joseph Cainkar
Louis F. Cainkar, Ltd.
30 North LaSalle, Suite 3430
Chicago, IL 60602
(312) 236-3985
joe@lfcltd.net

-----Original Message-----
From: Abbott, Kathleen <Kathleen.Abbott@illinois.gov>
To: Joe Cainkar <jcainkar@aol.com>; Kalaycioglu, Aysegul <Aysegul.Kalaycioglu@illinois.gov>; Butler, Wendy <Wendy.Butler@illinois.gov>; CWalsh@hds.ilga.gov <CWalsh@hds.ilga.gov>
Cc: Mehta, Rupal <Rupal.Mehta@illinois.gov>; Pittman, Michael <Michael.Pittman@illinois.gov>
Sent: Tue, Dec 17, 2019 4:18 pm
Subject: RE: [External] Re: SB 1597 signed

Joe,

We're investigating if we can just provide a QCD and transfer funds based on a letter agreement. I'll follow up once I get more direction from our internal fiscal staff.

Thanks,

Kathleen

Kathleen Abbott
312.814.2591
Kathleen.abbott@illinois.gov

From: Joe Cainkar <jcainkar@aol.com>
Sent: Monday, December 16, 2019 4:53 PM
To: Kalaycioglu, Aysegul <Aysegul.Kalaycioglu@Illinois.gov>; Butler, Wendy <Wendy.Butler@Illinois.gov>; CWalsh@hds.ilga.gov
Cc: Abbott, Kathleen <Kathleen.Abbott@illinois.gov>; Mehta, Rupal <Rupal.Mehta@Illinois.gov>; Pittman, Michael <Michael.Pittman@Illinois.gov>
Subject: Re: [External] Re: SB 1597 signed

Yes, that is fine. I will get an ordinance prepared for the January 20 meeting.

Ms. Abbot, if you could let me know if there will be a contract it would be greatly appreciated as that will dictate the form of the Village's legislation.

Thank you

Joseph Cainkar
Louis F. Cainkar, Ltd.
30 North LaSalle, Suite 3430
Chicago, IL 60602
(312) 236-3985
joe@lfcltd.net

-----Original Message-----
From: Kalaycioglu, Aysegul <Aysegul.Kalaycioglu@Illinois.gov>
To: Butler, Wendy <Wendy.Butler@Illinois.gov>; Joe Cainkar <jcainkar@aol.com>; CWalsh@hds.ilga.gov <CWalsh@hds.ilga.gov>
Cc: Abbott, Kathleen <Kathleen.Abbott@illinois.gov>; Mehta, Rupal <Rupal.Mehta@Illinois.gov>; Pittman, Michael <Michael.Pittman@Illinois.gov>
Sent: Mon, Dec 16, 2019 4:41 pm
Subject: RE: [External] Re: SB 1597 signed

Hi joe –can we aim for Jan. 20th? Kathleen Abbott w/ CMS-legal will be in touch on transaction steps.

Best,

Ayse Kalaycioglu
State of Illinois
Central Management Services, COO
312.814.8927 (office)
312.502.1291 (cell)
aysegul.kalaycioglu@illinois.gov

From: Butler, Wendy <Wendy.Butler@Illinois.gov>
Sent: Monday, December 16, 2019 10:20 AM
To: Joe Cainkar <jcainkar@aol.com>; CWalsh@hds.ilga.gov

Cc: Kalaycioglu, Aysegul <Aysegul.Kalaycioglu@Illinois.gov>; Abbott, Kathleen <Kathleen.Abbott@illinois.gov>; Mehta, Rupal <Rupal.Mehta@Illinois.gov>; Pittman, Michael <Michael.Pittman@Illinois.gov>
Subject: Re: [External] Re: SB 1597 signed

Joe,
You'll want to reach out to our Property Management team to handle the details on this. I've copied them here.

Wendy Miller Butler
CMS Director of Governmental Affairs
217/524-1409 (office)
217/685-9947 (cell)
wendy.butler@illinois.gov

From: Joe Cainkar <jcainkar@aol.com>
Date: Monday, December 16, 2019 at 10:18 AM
To: "Butler, Wendy" <Wendy.Butler@Illinois.gov>, "CWalsh@hds.ilga.gov" <CWalsh@hds.ilga.gov>
Subject: [External] Re: SB 1597 signed

Great! I will let the mayor know, and then we can work out the details of closing. I anticipate that he put an ordinance on the agenda for the first meeting in January (January 6) or the second meeting in January (January 20). The latter may be easier to do in terms of mechanics with the holidays. Let me know what you prefer, and the mechanics of "closing" thereafter.

Thanks,

Joseph Cainkar
Louis F. Cainkar, Ltd.
30 North LaSalle, Suite 3430
Chicago, IL 60602
(312) 236-3985
jce@lfcltd.net

-----Original Message-----
From: Butler, Wendy <Wendy.Butler@Illinois.gov>
To: Joe Cainkar <jcainkar@aol.com>; CWalsh@hds.ilga.gov <CWalsh@hds.ilga.gov>
Sent: Mon, Dec 16, 2019 10:13 am
Subject: SB 1597 signed

The Governor signed SB 1597 on Friday 12/13. There's not a Public Act # on ilga.gov yet but it's effective immediately.

Wendy Miller Butler
CMS Director of Governmental Affairs
217/524-1409 (office)
217/685-9947 (cell)
wendy.butler@illinois.gov

From: Joe Cainkar <jcainkar@aol.com>
Date: Friday, December 6, 2019 at 12:35 PM
To: "CWalsh@hds.ilga.gov" <CWalsh@hds.ilga.gov>, "Butler, Wendy" <Wendy.Butler@Illinois.gov>
Subject: Re: [External] Re: Manteno language

Kit and Wendy,

Hope your Thanksgiving was good. Any idea when the legislation will be sent to the Governor for signature? Or, do either of you have an idea as to when it might be signed by him?

Thanks

Joseph Cainkar
Louis F. Cainkar, Ltd.
30 North LaSalle, Suite 3430
Chicago, IL 60602
(312) 236-3985
joe@lfcltd.net

-----Original Message-----
From: Walsh, Catherine <CWalsh@hds.ilga.gov>
To: Butler, Wendy <Wendy.Butler@Illinois.gov>
Cc: Joe Cainkar <jcainkar@aol.com>
Sent: Mon, Oct 28, 2019 4:24 pm
Subject: RE: [External] Re: Manteno language

Hi Joe and Wendy,

SB 1597 was filed and assigned to the Executive Committee today. It involves the 3 non-controversial land transfers from HB 3222, and the Manteno land transfer.

Please feel free to call me if you have any questions

Kit
217-557-5534

From: Walsh, Catherine
Sent: Friday, October 25, 2019 4:35 PM
To: Butler, Wendy <Wendy.Butler@Illinois.gov>
Cc: Joe Cainkar <jcainkar@aol.com>
Subject: RE: [External] Re: Manteno language

Hi Joe and Wendy,

We have some other land transfers that we may add to the Manteno bill to include several items from HB 3222, which the Governor amendatorily-vetoed. The Governor vetoed it because of one controversial transfer involving the Illinois Medical District Commission, but he was fine with all the other transfers on it. HB 3222 passed unanimously in the Senate and only had one no vote in the House.

We would combine the non-controversial land transfers to be included with the Manteno land transfer all into one bill. I spoke with Rep. Smith, he is fine with this as the new ones are non-controversial.

Let me know if you have any questions,

Kit
312-814-4884

From: Butler, Wendy [mailto:Wendy.Butler@Illinois.gov]
Sent: Thursday, October 24, 2019 3:23 PM
To: Walsh, Catherine <CWalsh@hds.ilga.gov>

Cc: Joe Cainkar <jcainkar@aol.com>
Subject: Re: [External] Re: Manteno language

Yes, thanks.

Wendy Butler, CMS
Director of Governmental Affairs
217/524-1409 Office
217/685-9947 Cell
wendy.butler@illinois.gov

On Oct 24, 2019, at 3:55 PM, Walsh, Catherine <CWalsh@hds.ilga.gov> wrote:

> Sounds good everyone. Thanks. Just to be clear- the language that should go forward is what is attached.
>
> **From:** Joe Cainkar [mailto:jcainkar@aol.com]
> **Sent:** Thursday, October 24, 2019 1:25 PM
> **To:** Wendy.Butler@Illinois.gov
> **Cc:** Walsh, Catherine <CWalsh@hds.ilga.gov>
> **Subject:** Re: [External] Re: Manteno language
>
> Got it. No problem.
>
> Joseph Cainkar
> Louis F. Cainkar, Ltd.
> 30 North LaSalle, Suite 3430
> Chicago, IL 60602
> (312) 236-3985
> jce@lfcltd.net
>
> -----Original Message-----
> From: Butler, Wendy <Wendy.Butler@illinois.gov>
> To: Joe Cainkar <jcainkar@aol.com>
> Cc: CWalsh@hds.ilga.gov <CWalsh@hds.ilga.gov>
> Sent: Thu, Oct 24, 2019 1:22 pm
> Subject: Re: [External] Re: Manteno language
>
> Joe,
> I can assure you that CMS is confident in the appraisals conducted and agreeable to the FMV arrived at from those appraisals.
>
> This is more about staying in line with the governing statute and how land conveyance legislation is generally put forth.
>
> Wendy Butler, CMS
> Director of Governmental Affairs
> 217/524-1409 Office
> 217/685-9947 Cell
> wendy.butler@illinois.gov
>
> On Oct 24, 2019, at 12:57 PM, Joe Cainkar <jcainkar@aol.com> wrote:
>
>> Im ok with a bill that will get passed and approved. I just don't want to be in a situation where this gets approved and then the Village is required to do something different or pay more money.

As long as we are all on the same page, I will trust the process. To be clear, I trust you two, its someone else jumping in and getting involved at the last minute that I fear.

Joseph Cainkar
Louis F. Cainkar, Ltd.
30 North LaSalle, Suite 3430
Chicago, IL 60602
(312) 236-3985
joe@lfcltd.net

-----Original Message-----
From: Butler, Wendy <Wendy.Butler@Illinois.gov>
To: Walsh, Catherine <CWalsh@hds.ilga.gov>
Cc: Joe Cainkar <jcainkar@aol.com>
Sent: Thu, Oct 24, 2019 12:02 pm
Subject: Re: [External] Re: Manteno language

Gov's office prefers the language without the dollar figure. I agree. That's how we've done these in the past.

Wendy Butler, CMS
Director of Governmental Affairs
217/524-1409 Office
217/685-9947 Cell
wendy.butler@illinois.gov

On Oct 24, 2019, at 10:15 AM, Walsh, Catherine <CWalsh@hds.ilga.gov> wrote:

Has there been any update?

Thanks

Kit
312-814-4884

From: Butler, Wendy [mailto:Wendy.Butler@Illinois.gov]
Sent: Monday, October 21, 2019 3:48 PM
To: Walsh, Catherine <CWalsh@hds.ilga.gov>; Joe Cainkar <jcainkar@aol.com>
Subject: Re: [External] Re: Manteno language

Got it, thanks.

Wendy Miller Butler
CMS Director of Governmental Affairs
217/524-1409 (office)
217/685-9947 (cell)
wendy.butler@illinois.gov

From: "Walsh, Catherine" <CWalsh@hds.ilga.gov>
Date: Monday, October 21, 2019 at 3:39 PM
To: Joe Cainkar <jcainkar@aol.com>, "Butler, Wendy" <Wendy.Butler@Illinois.gov>
Subject: RE: [External] Re: Manteno language

LRB was quicker than I expected- it is attached. Let me know your thoughts.

From: Walsh, Catherine
Sent: Monday, October 21, 2019 11:13 AM
To: 'Joe Cainkar' <jcainkar@aol.com>; Wendy.Butler@Illinois.gov
Subject: RE: [External] Re: Manteno language

Ok I should have a copy of this back in the next day or so and will send to both of you. Thanks!

From: Joe Cainkar [mailto:jcainkar@aol.com]
Sent: Monday, October 21, 2019 11:10 AM
To: Wendy.Butler@Illinois.gov; Walsh, Catherine <CWalsh@hds.ilga.gov>
Subject: Re: [External] Re: Manteno language

I Agree.

Thank you Kit and Wendy for your attention to this matter.

Joseph Cainkar
Louis F. Cainkar, Ltd.
30 North LaSalle, Suite 3430
Chicago, IL 60602
(312) 236-3985
joe@lfcltd.net

-----Original Message-----
From: Butler, Wendy <Wendy.Butler@Illinois.gov>
To: Walsh, Catherine <CWalsh@hds.ilga.gov>; Joe Cainkar <jcainkar@aol.com>
Sent: Mon, Oct 21, 2019 11:06 am
Subject: Re: [External] Re: Manteno language

It was $352,334.

Wendy Miller Butler
CMS Director of Governmental Affairs
217/524-1409 (office)
217/685-9947 (cell)
wendy.butler@illinois.gov

From: "Walsh, Catherine" <CWalsh@hds.ilga.gov>
Date: Monday, October 21, 2019 at 10:48 AM
To: "Butler, Wendy" <Wendy.Butler@Illinois.gov>, Joe Cainkar <jcainkar@aol.com>
Subject: RE: [External] Re: Manteno language

I'm not sure the agreed upon number.

From: Butler, Wendy [mailto:Wendy.Butler@Illinois.gov]
Sent: Monday, October 21, 2019 10:44 AM
To: Joe Cainkar <jcainkar@aol.com>; Walsh, Catherine <CWalsh@hds.ilga.gov>
Subject: Re: [External] Re: Manteno language

That's fine. If you have a second draft I will need to share with Gov's Legislative and our BoPM when you have it. Thanks.

Wendy Miller Butler
CMS Director of Governmental Affairs
217/524-1409 (office)
217/685-9947 (cell)
wendy.butler@illinois.gov

From: Joe Cainkar <jcainkar@aol.com>
Date: Monday, October 21, 2019 at 10:15 AM
To: "CWalsh@hds.ilga.gov" <CWalsh@hds.ilga.gov>, "Butler, Wendy" <Wendy.Butler@illinois.gov>
Subject: Re: [External] Re: Manteno language

I am ok with this.

Joseph Cainkar
Louis F. Cainkar, Ltd.
30 North LaSalle, Suite 3430
Chicago, IL 60602
(312) 236-3985
joe@lfcltd.net

-----Original Message-----
From: Walsh, Catherine <CWalsh@hds.ilga.gov>
To: Butler, Wendy <Wendy.Butler@illinois.gov>; Joe Cainkar <jcainkar@aol.com>
Sent: Mon, Oct 21, 2019 9:55 am
Subject: RE: [External] Re: Manteno language

We can always put in the dollar amount with a phrase like "which reflects the fair market value as determined by the average of three appraisals"

From: Walsh, Catherine
Sent: Monday, October 21, 2019 9:53 AM
To: 'Butler, Wendy' <Wendy.Butler@illinois.gov>; Joe Cainkar <jcainkar@aol.com>
Subject: RE: [External] Re: Manteno language

Hi Joe and Wendy- I would suggest we get two versions drafted- we have the one with the generic language, but lets also get one with the specific dollar amount also drafted, and then can see how things move along through veto.

Thanks,

Kit

From: Butler, Wendy [mailto:Wendy.Butler@illinois.gov]
Sent: Monday, October 21, 2019 9:38 AM
To: Joe Cainkar <jcainkar@aol.com>
Cc: Walsh, Catherine <CWalsh@hds.ilga.gov>
Subject: Re: [External] Re: Manteno language

I think that would happen through explanation in a committee hearing and staff analysis for members.

Wendy Miller Butler

CMS Director of Governmental Affairs
217/524-1409 (office)
217/685-9947 (cell)
wendy.butler@illinois.gov

From: Joe Cainkar <jcainkar@aol.com>
Date: Monday, October 21, 2019 at 9:01 AM
To: "Butler, Wendy" <Wendy.Butler@illinois.gov>
Cc: "CWalsh@hds.ilga.gov" <CWalsh@hds.ilga.gov>
Subject: Re: [External] Re: Manteno language

Ok, but I think we should at least get an understanding of the parties' agreement before we submit bill for a vote.

Joseph Cainkar
Louis F. Cainkar, Ltd.
30 North LaSalle, Suite 3430
Chicago, IL 60602
(312) 236-3985
joe@lfcltd.net

-----Original Message-----
From: Butler, Wendy <Wendy.Butler@illinois.gov>
To: Joe Cainkar <jcainkar@aol.com>
Cc: CWalsh@hds.ilga.gov <CWalsh@hds.ilga.gov>
Sent: Mon, Oct 21, 2019 8:45 am
Subject: Re: [External] Re: Manteno language

My 2 cents:
I think we want the language to be as in line with the State Property Control Act as possible so that it's clear that he language is mirroring existing statute on transferring state property without a reverter clause. Hence the fair market value language and lack of a specific dollar amount.

Wendy Butler, CMS
Director of Governmental Affairs
217/524-1409 Office
217/685-9947 Cell
wendy.butler@illinois.gov

On Oct 21, 2019, at 8:16 AM, Joe Cainkar <jcainkar@aol.com> wrote:

> Kit,
>
> Is there any quarrel with just putting a number in here at this point instead of leaving it open-ended in terms of acquiring appraisals, determining the market value, and identifying the conditions agreed to by the parties.
>
> I just assume we get on a call and agree to all these things, include the consideration in the bill, and execute.
>
> In terms of the language of the proposed bill as written, I would just remove "fair" from "fair market value" as the operative phrase for appraisers is "market value."

Joseph Cainkar
Louis F. Cainkar, Ltd.
30 North LaSalle, Suite 3430
Chicago, IL 60602
(312) 236-3985
joe@lfcltd.net

-----Original Message-----
From: Walsh, Catherine <CWalsh@hds.ilga.gov>
To: Joe Cainkar <jcainkar@aol.com>; Butler, Wendy
<Wendy.Butler@illinois.gov>
Sent: Wed, Oct 16, 2019 3:45 pm
Subject: Manteno language

Hi Joe and Wendy,

I got the amendment back from LRB. Let me know your thoughts.

Kit
312-814-4884

<Manteno amendment.pdf>

256519

Midland
States Bank

REMITTER: VILLAGE OF MANTENO

DATE 1/28/20

CMS FACILITIES MANAGEMENT REVOLVING FUND

EXACTLY **352,334 AND 00/100 DOLLARS $ $352,334.00

CUSTOMER - FILE COPY

CASHIER'S CHECK

AUTHORIZED SIGNATURE

NOT NEGOTIABLE

Money Back Guarantee: If the mailer submits an item at a designated USPS® Priority Mail Express®

MANTENO
157 N MAIN ST
MANTENO, IL 60950-9998
164806-0950
(800)275-8777
01/28/2020 12:04 PM

Product	Qty	Unit Price	Price
PM Exp 1-Day Flat Rate Env	1	$26.35	$26.35
(Domestic)			
(SPRINGFIELD, IL 62706)			
(Flat Rate)			
(Signature Requested)			
(Scheduled Delivery Day)			
(Wednesday 01/29/2020 12:00 PM)			
(Money Back Guarantee)			
(USPS Tracking #)			
(EJ165496913US)			
PM Exp Insurance			
(Up to $100.00 included)			$0.00
Total:			$26.35

LABEL 11-B MARCH 2019 PSN 7690-02-000-9996

EJ 165 496 913 US

3. The Postal Service insures "nonnegotiable documents" (as defined by postal indemnity regulations) against loss, damage, or missing contents up to $100 per mailpiece for document reconstruction, subject to additional limitations for multiple pieces lost or damaged in a single catastrophic occurrence. Document reconstruction insurance provides reimbursement for the reasonable costs incurred in reconstructing duplicates of nonnegotiable documents mailed. Document reconstruction insurance coverage above $100 per mailpiece is not available. The mailer should not attempt to purchase additional document insurance, because additional document insurance is void.
4. The Postal Service insures "negotiable items" (defined by postal regulations as items that can be converted to cash without forgery), currency, or bullion up to a maximum of $15 per mailpiece.
5. The Postal Service does not provide coverage for consequential losses due to loss, damage, or delay of Priority Mail Express items or for concealed damage, spoilage of perishable items, and articles improperly packaged or too fragile to withstand normal handling in the mail.

Coverage, terms, and limitations are subject to change. For additional limitations and terms of coverage, consult the DMM, which is available at pe.usps.com.

Indemnity Claims (Loss, Damaged or Missing Contents): Either the mailer or the addressee may file an indemnity claim for loss, damaged or missing contents. The claimant may submit the claim online at usps.com, or by mail; for more information see Publication 122, *Domestic Claims, Customer Reference Guide*. The timelines for claims are as follows: claims for loss – no sooner than 7 days but no later than 60 days after the date of mailing; claims for damage or missing contents – immediately but no later than 60 days from the date of mailing. Retain the original USPS retail receipt or eReceipt/electronic receipt for claims purposes. For claims involving damage or missing contents, also retain the article, container, and packaging for Postal Service inspection when requested.

Refund of Postage and Fees (Service Performance): If delivery of a Priority Mail Express (PME) item does not meet the scheduled delivery commitment(s), online and commercial customers may submit a refund request by visiting USPS.com. Retail customers may submit a refund request either online at USPS.com or at retail locations. Refund requests for postage must be submitted no later than 30 days from the date of mailing; Extra Services fees refund requests must be submitted no later than 60 days from the date of mailing. Each tracking number can only be submitted once for all applicable refunds. Refund requests for PME or PME with Extra Services must be combined into a single submission.

Thank you for choosing Priority Mail Express service.

Tracking: For USPS Tracking, scan the QR Code below or go to USPS.com or call 800-222-1811

EJ 165 496 913 US
Priority Mail Express tracking number

256519

Midland
States Bank

REMITTER: VILLAGE OF MANTENO

DATE 1/28/20

CMS FACILITIES MANAGEMENT REVOLVING FUND

EXACTLY **352,334 AND 00/100 DOLLARS $ $352,334.00

CUSTOMER - FILE COPY

CASHIER'S CHECK

AUTHORIZED SIGNATURE

NOT NEGOTIABLE

MANTENO
157 N MAIN ST
MANTENO, IL 60950-9998
164806-0950
(800)275-8777
01/28/2020 12:04 PM

Product	Qty	Unit Price	Price
PM Exp 1-Day Flat Rate Env	1	$25.35	$26.35
(Domestic)			
(SPRINGFIELD, IL 62706)			
(Flat Rate)			
(Signature Requested)			
(Scheduled Delivery Day)			
(Wednesday 01/29/2020 12:00 PM)			
(Money Back Guarantee)			
(USPS Tracking #)			
(EJ165496913US)			
PM Exp Insurance (Up to $100.00 included)			$0.00
Total:			$26.35

LABEL 11-B MARCH 2019 PSN 7690-02-000-9996

EJ 165 496 913 US

3. The Postal Service insures "nonnegotiable documents" (as defined by postal indemnity regulations) against loss, damage, or missing contents up to $100 per mailpiece for document reconstruction, subject to additional limitations for multiple pieces lost or damaged in a single catastrophic occurrence. Document reconstruction insurance provides reimbursement for the reasonable costs incurred in reconstructing duplicates of nonnegotiable documents mailed. Document reconstruction insurance coverage above $100 per mailpiece is not available. The mailer should not attempt to purchase additional document insurance, because additional document insurance is void.
4. The Postal Service insures "negotiable items" (defined by postal regulations as items that can be converted to cash without forgery), currency, or bullion up to a maximum of $15 per mailpiece.
5. The Postal Service does not provide coverage for consequential losses due to loss, damage, or delay of Priority Mail Express items or for concealed damage, spoilage of perishable items, and articles improperly packaged or too fragile to withstand normal handling in the mail.

Coverage, terms, and limitations are subject to change. For additional limitations and terms of coverage, consult the DMM, which is available at pe.usps.com.

Indemnity Claims (Loss, Damaged or Missing Contents): Either the mailer or the addressee may file an indemnity claim for loss, damaged or missing contents. The claimant may submit the claim online at usps.com, or by mail; for more information see Publication 122, *Domestic Claims, Customer Reference Guide*. The timelines for claims are as follows: claims for loss – no sooner than 7 days but no later than 60 days after the date of mailing; claims for damage or missing contents – immediately but no later than 60 days from the date of mailing. Retain the original USPS retail receipt or eReceipt/electronic receipt for claims purposes. For claims involving damage or missing contents, also retain the article, container, and packaging for Postal Service inspection when requested.

Refund of Postage and Fees (Service Performance): If delivery of a Priority Mail Express (PME) item does not meet the scheduled delivery commitment(s), online and commercial customers may submit a refund request by visiting *USPS.com*. Retail customers may submit a refund request either online at *USPS.com* or at retail locations. Refund requests for postage must be submitted no later than 30 days from the date of mailing; Extra Services fees refund requests must be submitted no later than 60 days from the date of mailing. Each tracking number can only be submitted once for all applicable refunds. Refund requests for PME or PME with Extra Services must be combined into a single submission.

Thank you for choosing Priority Mail Express service.

Tracking: For USPS Tracking, scan the QR Code below or go to USPS.com or call 800-222-1811

EJ 165 496 913 US
Priority Mail Express tracking number

VILLAGE OF MANTENO
Approval Signature

DEGREES 22 MINUTES EAST, 625.00 FEET TO A POINT; THENCE SOUTH 87 DEGREES 38 MINUTES EAST, 280.00 FEET TO A POINT; THENCE NORTH 02 DEGREES 22 MINUTES EAST, 215.00 FEET TO A POINT; THENCE SOUTH 87 DEGREES 38 MINUTES EAST, 920.00 FEET TO A POINT ON THE EAST LINE OF SAID SECTION 26; THENCE SOUTH 01 DEGREES 36 MINUTES WEST, 2,656.20 FEET ALONG THE EAST LINE OF SAID SECTION 26 TO THE POINT OF BEGINNING, ALL BEING SITUATED IN KANKAKEE COUNTY, ILLINOIS CONTAINING 67.71 ACRES, MORE OR LESS, SUBJECT TO DEDICATIONS OF EASEMENT;

P.I.N.: (03) 02-26-400-004-0000.

Section 3

That the Village President and Village Clerk are hereby authorized and directed to issue and deliver a cashier's check in the amount of $352,334.00, made payable to CMS (acting on behalf of the State) or its designee, and to execute and record such other documents as may be necessary to effect the release of the reverter clause.

Section 4

This ordinance shall be in full force and effect upon its passage and approval as provided by law.

PASSED by the Board of Trustees of the Village of Manteno, Illinois and deposited in the office of the Village Clerk this 21st day of January, 2020.

DEPOSITED with the Village Clerk this 21st day of January, 2020.

[redacted]
ROBIN BATKA, Village Clerk

APPROVED by me this 21st day of January, 2020.

[redacted]
TIMOTHY O. NUGENT, Village President

COMMITTEE OF THE WHOLE
Finance / Public Safety Committee
Wednesday, January 8, 2020
7:00 a.m.
Village Conference Room
98 E. Third Street

Agenda Items - Public Safety:

Open Meeting
- Approval of Public Safety Meeting Minutes – December 11, 2019

Public Participation

Items for Discussion:
- NAACP 10 Shared Principals
- New Video Security System
- LPR Camera Update
- Monthly Stats

Adjournment

Agenda Items - Finance:

Open Meeting
- Approval of Finance Meeting Minutes – December 11, 2019

Public Participation

Items for Discussion:
- Budget Calendar
- Building Dept. Review Escrow Fees
- Square on Second / TIF 1 Recaps
- First Street Renovations
- Budget / Wish List
- South Path / Grant
- O'Reilly's Update
- Golf Course Recap
- Month End Financi... ...ports

Adjournment

GOLF COURSE OPERATION

Village Operation

Through 2006, the Village operated the Golf Course. The Village incurred debt due to its operations, which are discussed below. In 2007, the management was transferred to Save Our Golf Course.

Save Our Golf Course

INCORPORATION

Save Our Golf Course, Inc. was formed as an Illinois not-for-profit corporation on November 12, 2004. The Village entered into an agreement with Save Our Golf Course on January 7, 2007. The agreement was amended on August 9, 2013, running through December 31, 2016, with options to extend the term for an additional 5 years. The Village had the right to terminate the agreement on August 1, 2016.

A 501(c)3 tax-exempt exemption was approved by the IRS on March 28, 2008.

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: MAR 28 2008

SAVE OUR GOLF COURSE INC
C/O MARK SMITH
1605 N CONVENT
BOURBONNAIS, IL 60914

Employer Identification Number:
20-1883344
DLN:
17053018316028
Contact Person:
THOMAS C KOESTER ID# 31116
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
December 31
Public Charity Status:
170(b)(1)(A)(vi)
Form 990 Required:
Yes
Effective Date of Exemption:
November 12, 2004
Contribution Deductibility:
Yes
Addendum Applies:
No

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. We determined that you are a public charity under the Code section(s) listed in the heading of this letter.

Please see enclosed Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, for some helpful information about your responsibilities as an exempt organization.

Letter 947 (DO/CG)

The Finance Committee minutes of December 11, 2019, show that Annette LaMore resigned from the Save Our Golf Course board. By this time, the legislation to remove the reverter clause was ready for the Governor's signature.

The IRS shows that the 2019 Form 990 was the last filing made by the Save Our Golf Course Board, although Form 990 is required to be filed annually.

SAVE OUR GOLF COURSE INC

EIN: 20-1883344 | United States

Auto-Revocation List

Organizations whose federal tax exempt status was automatically revoked for not filing a Form 990-series return or notice for three consecutive years. *Important note: Just because an organization appears on this list, it does not mean the organization is currently revoked, as they may have been reinstated.*

Exemption Type: 501(c)(3)

Exemption Reinstatement Date:

Revocation Date: 05-15-2023

Revocation Posting Date: 08-14-2023

Determination Letter

A favorable determination letter is issued by the IRS if an organization meets the requirements for tax-exempt status under the Code section the organization applied.

Final Letter(s)

- FinalLetter_20-1883344_SAVEOURGOLFCOURSEINC_01152008_01.tif [/pub/epostcard/dl/FinalLetter_20-1883344_SAVEOURGOLFCOURSEINC_01152008_01.tif]
- FinalLetter_20-1883344_SAVEOURGOLFCOURSEINC_01152008_02.tif [/pub/epostcard/dl/FinalLetter_20-1883344_SAVEOURGOLFCOURSEINC_01152008_02.tif]

Copies of Returns (990, 990-EZ, 990-PF, 990-T)

Electronic copies (images) of Forms 990, 990-EZ, 990-PF or 990-T returns filed with the IRS by charities and non-profits.

- **Tax Year 2019 Form 990**
- **Tax Year 2019 Form 990T**
- **Tax Year 2018 Form 990**
- **Tax Year 2018 Form 990T**

The 2019 Form 990 showed Gross Receipts of $299,223, net assets of $105,059, and total liabilities of $143,552.

The last Illinois annual filing shown on the Secretary of State's website was filed on December 22, 2020. The Secretary of State's Office shows the Corporation being dissolved on April 8, 2022.

State of Illinois
DOMESTIC CORPORATION
ANNUAL REPORT
General Not for Profit Corporation Act

Year: 2020 **File #:** 6388-673-4

FILED Dec 22, 2020

Jesse White, Secretary of State

1. **Corporation Name:** SAVE OUR GOLF COURSE, INC.

2. **Registered Agent:** JONATHAN DOLE

   Registered Office: 7202 N 4000 E RD

   City, IL, ZIP, County: MANTENO, IL 60950 KANKAKEE COUNTY

3a. **Date of Incorporation/Qualification:** 11/12/2004 3b. **State of Incorporation:** IL

4. **Names and Addresses of Corporation's Officers and Directors:**

OFFICE	NAME	NUMBER & STREET	CITY	STATE	ZIP
PRESIDENT	MARC DENAULT 905 GARDEN DRIVE MANTENO IL 60950				
SECRETARY	BRETT KEARFOOT 1351 COURGAR RUN MANTENO, IL 60950				
VICE PRESIDENT	JONATHAN DOLE 1132 WHITE TAIL DRIVE MANTENO, IL 60950				
TREASURER	JAY GRIMES 652 PERIWINKLE TURN BOURBONNAIS, IL 60914				
DIRECTOR	MARC DENAULT 905 GARDEN DRIVE MANTENO IL 60905				
DIRECTOR	BRETT KEARFOOT 1351 COUGAR RUN MANTENO, IL 60950				
DIRECTOR	JONATHAN DOLE 1132 WHITE TAIL DRIVE MANTENO, IL 60950				
DIRECTOR	JAY GRIMES 652 PERIWINKLE TURN BOURBONNAIS IL 60914				
DIRECTOR	DOUG HARDY MANTENO IL 60950				
DIRECTOR	LEE HAHN MANTENO IL 60950				
DIRECTOR	RON SEILING BRADLEY IL 69015				

5. **Brief statement of type of activity the corporation is conducting:**
THE CORPORATION WAS SET UP TO PRESERVE THE GOLF COURSE FOR THE ENJOYMENT OF ITS MEMBERS AND THE PUBLIC. FACILITIES FOR MEETINGS, BANQUETS, WEDDINGS ETC. ARE ALSO OFFERED FOR THE COMMUNITY USE.

6. Is this Corporation a Condominium Association as established under the Condominium Property Act? ☐ Yes ☑ No
   Is this a Cooperative Housing Corporation as defined in Section 216 of the Internal Revenue Code of 1954? ☐ Yes ☑ No
   Is this Corporation a Homeowner's Association, which administers a common-interest community as defined in subsection (c) of Section 9-102 of the code of Civil Procedure? ☐ Yes ☑ No

7. **Address, including street and number, of Corporation's Principal Office:**
   7202 N 4000 E ROAD MANTENO, IL 60950

8. **Under the penalty of perjury and as an authorized officer, I declare that this annual report, pursuant to provisions of the General Not for Profit Corporation Act, has been examined by me and is, to the best of my knowledge and belief, true, correct and complete.**

By JAY W GRIMES
Authorized Officer

TREASURER Dec 22, 2020
Title & Date

Fee Summary

Filing Fee $ 10.00
Penalty $ 3.00
Total Fee: $ 13.00

This document was electronically generated at www.cyberdriveillinois.com

PPP Loan

The Save Our Golf Course board applied for a Payment Protection Loan from the Small Business Administration through the National Bank of St. Anne, and the loan was approved on April 5, 2020. The loan was forgiven on February 21, 2021.

Name	SAVE OUR GOLF COURSE INC
Address	7202 N 4000 E RD
City	MANTENO
State	Illinois
ZIP Code	60950-3040
Rural/Urban	Urban
Hubzone	No
Labor Market Information (LMI)	No
Business Age Description	Existing or more than 2 years old
Jobs Reported	32
NAICS	713910: Golf Courses and Country Clubs
Business Type	Non-Profit Organization
Race/Ethnicity	White
Gender	Unanswered
Veteran	Unanswered
Non-Profit	Yes

Loan Number	[redacted]
Date Approved	April 5, 2020
Loan Status	Paid in Full
Loan Status Date	Feb. 19, 2021
Term	24 Months
Lender	National Bank of St. Anne
Initial Approval Amount	20,957.00
Current Approval Amount	20,957.00
Payroll Proceed	20,957.00
Loan Forgiveness Date	Oct. 29, 2020
Forgiveness Amount	21,069.54

← Back to results page

Although the Golf Course claimed to have incurred significant payroll in 2020, there is no record on the IRS website that the Save Our Golf Course Corporation filed the required Forms 990 and 990-T. Rather, the IRS shows that the corporation's exempt status was revoked, but not its obligation to file annual tax returns. The IRS has procedures for notifying it of entity dissolution. The corporation also had obligations with the State of Illinois.

Course Closure & Formal Return to Village

The municipal golf course, which was still operated by Save Our Golf Course, was formally returned to the Village after the organization cited financial concerns. The 2021 audit report indicates that the Golf Course Fund was closed during FY 2021 and related activity is now included in Governmental Activities (P 6).

A transfer of ***$2,136,611*** was recorded to move the assets and liabilities of the Golf Course Fund to the General Fund (P 43). According to the 2022 audit report for the village, the village board decided to sell the course because it could not "see the course being successful under the management of the Village" (P 15).

At the time the Golf Course Fund was moved to Governmental Activities, the 2021 General Obligation Bonds, or **GOB Series 2013** (Golf Course 20-year loan at 2% to 5% interest), had a remaining principal of $1,505,000 (P 15).

Notice, Bids, & Sale

On November 15, 2021, A motion was made to authorize the solicitation of bids for the sale of the Manteno Golf Course. A notice soliciting bids to sell the former golf course was published on three consecutive Wednesdays (December 1, December 8, and December 15, 2021) in the Kankakee Daily Journal. In this notice, readers are notified that there is no legal obligation on the part of the Village to evaluate and award any bid that has been submitted. The notice also states that all bids must be "hand-delivered".

> *"...A contract may be awarded to the person submitting the highest bid. This Notice shall not create any legal obligation on behalf of the Village to evaluate any bid that is submitted, or to enter into any contract with any person submitting a bid. The Village reserves the right to (a) cancel or modify this notice in whole or in part; (b) reject any or all bids submitted; (c) waive non-material formalities and technicalities; (d) postpone bid opening; and/or (e) issue a call for new bids. The Village further reserves the right to review and study any and all bids and to make a contract award within forty-five (45) days after the bids have been opened and publicly read."*

Parcels ***03-02-26-400-004*** and ***03-02-26-400-005*** (containing the golf course and facilities) were sold to Alexander Real Properties, LLC, which, according to Ordinance No. 21-23, was the only bidder. The bid for both parcels (approximately 132.19 acres) was **$600,000**. Village Ordinance 21-23 authorized the sale of the golf course to Alexander and was approved by former Village President Timothy Nugent on January 31st, 2022. However, the property tax records show that the land was sold for ***$570,000,*** including ***$30,000*** in personal assets.

DIVISION AND SUBSEQUENT SALE/DEVELOPMENT OF PARCELS

During the 2023 tax year, Parcel ***03-02-26-400-005*** was divided into two smaller parcels: ***03-02-26-400-008*** and ***03-02-26-400-009***, consisting of 13.02 and 58.15 acres, respectively. Both of these divided parcels are still owned by Alexander Real Properties.

Parcel ***03-02-26-400-004*** was divided into parcels ***03-02-26-400-006***, ***03-02-26-400-007***, and ***03-02-26-400-009***, consisting of 11.26, 49.38, and 58.15 acres, respectively. Note that portions of ***03-02-26-400-004*** and ***03-02-26-400-005*** were used to form Parcel ***03-02-26-400-009***. Parcel ***03-02-26-400-009*** is still owned by Alexander Real Properties. Parcel ***03-02-26-400-007*** is now owned by the Randolph J Murray Trust and the Joanne Murray Trust of Peotone, IL. Parcel ***03-02-26-400-006*** was divided in tax year 2024.

Parcel ***03-02-26-400-006*** was divided into two parcels, ***03-02-26-400-010***, and ***03-02-26-400-011***, consisting of 11.24 and .49 acres, respectively. Parcel ***03-02-26-400-011*** is still owned by Alexander Real Properties while ***03-02-26-400-010*** is currently owned by Affordable Mini Storage-Manteno LLC.

Current Assessed Parcel Values Per Kankakee County Assessor

Parcel Number	Acres	Owner (as of 2024 tax year)	2024 Net Taxable Value (Assessor)	Estimated Value (Assesed Value X 3)
03-02-26-400-007	49 38	Randolph J Murray Trust	$152,790 00	$458,370 00
03-02-26-400-008	13 02	Alexander Real Properties LLC	$889 00	$2,667 00
03-02-26-400-009	58 15	Alexander Real Properties LLC	$21,927 00	$74,781 00
03-02-26-400-010	11 24	Affordable Mini Storage-Manteno LLC	$4,807 00	$14,221 00
03-02-26-400-011	49	Alexander Real Properties LLC	$210 00	$630 00
		Totals	$183,623.00	$550,669.00

SUMMARY OF GOLF COURSE TRANSACTIONS

There appears to have been an effort to sell the Golf Course property for over 20 years. The Reverter clause was a known issue since the Village received the property. When the Village determined to sell the property, there is no evidence that the Village considered returning the parcel containing the reverter clause to the state or otherwise converting it to an allowed purpose.

The issue of buying out the reverter clause appears to have surfaced during the Village attorney's negotiations with the Illinois House. We did not find any evidence that the issue was returned to the Village Board for discussion about alternatives. Rather, it appears that the Village Attorney procured three valuation proposals without Board authorization and then transmitted the buyout amount to the Illinois House before the Village Board took any action to approve the buyout or consider alternatives.

The Village Board advertised the property in a local newspaper rather than engaging a qualified realtor or placing an ad in a large regional or national publication dedicated to golf.

The Village did not realize the property's full value, as evidenced by the buyer's quick resale of parts of the property.

The property was approved for sale by the Village on January 31, 2022. The land sold for \$570,000, and the Village spent approximately \$400,000 on the reverter clause and associated expenses. As a result, the Village realized about \$1,388 per acre, including the clubhouse and related facilities. On November 18, 2022, Alexander sold 49.38 acres, including the clubhouse, to the Randolph J. Murray Trust and Joann Murray Trust for \$646,000 or \$13,082 per acre. On July 26, 2023, Alexander sold 11.24 acres to Affordable Mini Storage Manteno LLC for \$134,880, or \$12,000 per acre.

The Village assumed the cash from the Save Our Golf Course, which would have included the proceeds from the PPP Loans. However, the final tax filings do not appear to have been completed.