

June 21, 2024

VIA ELECTRONIC MAIL

Richard A. Saldinger
Landsman, Saldinger, Carroll
161 N. Clark Street, Suite 1600
Chicago, IL 60601
saldinger@lsclegal.com

Re: Construction Permit Application #25-0095 – 7605 Lake Street

Dear Mr. Saldinger:

This correspondence is in response to your letter dated June 7, 2024, regarding the construction permit, Permit Application #25-0095, recently filed by Lake Lathrop Partners, LLC, with respect to the redevelopment project at 7605 Lake Street in the Village of River Forest.

As you are aware, your client entered into a redevelopment agreement (“RDA”) with the Village of River Forest (“Village”). The Village, in accordance with the terms of the RDA, spent approximately one million nine hundred thousand dollars (\$1,900,000.00) to partially fund remediation of the Subject Property and to acquire the parcels for the Project. In exchange, your client was to develop and operate the Subject Property according to the terms set forth in the RDA. However, your client breached the RDA. The only reason your client was originally eligible to complete this Project, which had the benefit of public funds, was the RDA between it and the Village. As such, your client has no right to completion of the Project without strict compliance with the RDA. As indicated in the previous letter you received from the Village, your client has failed to comply with the requirements of the RDA time and again despite extensions from the Village, and upon your client’s most recent material breach, the Village exercised its right to terminate the RDA. Accordingly, as a result of your client’s failure to perform its obligations under the RDA and the resulting termination, your client is no longer able to reap the benefits of that RDA, namely the benefit of completing a partially publicly funded Project set out in the RDA, or the right to a building permit for the Project.

The conditions on your client’s right to an extension to its building permit for the Project are set forth clearly in Sections 4.04 and 6.05 of the Second Amended and Restated Redevelopment Agreement as amended by the Fourth Amendment executed by the parties. Under Section 6.05 (“Permits and Permit Fees”), it is clearly stated that the original building permit was set to expire on August 2, 2023, and that an extension of that permit would only be granted upon the satisfaction of certain conditions. Your client and the Village agreed to those certain conditions and an extension to September 15, 2023. The extension of nearly six weeks provided additional time for your client to meet the conditions. Still, those conditions were not met, and as a result, your client

is not entitled to an additional building permit to complete the Project. Moreover, Section 7.06(E) of the RDA sets forth that:

“If this Agreement is terminated for any reason, Developer shall have no further interest in the Project, the Committed Funds, or the Additional Village funding, and Developer shall execute such documents, and provide such information, within the time required by the Village, and as directed by the Village, to allow the Developer’s rights and obligations under this Agreement, in the Project, to the Committed Funds, and to the Additional Village Funding, to either be assigned to a new developer chosen by the Village, or distributed in some other manner by the Village, as determined by the Village in the Village’s sole discretion.”

Accordingly, pursuant to Section 7.06(E) of the RDA, as a result of the termination of the RDA following your client’s material breach, your client no longer has any interest in the Project and no right to a building permit for the Project. Moreover, your client and the Subject Property are currently the subject of a foreclosure action, and your client’s ownership interest in the Subject Property is tenuous. Any suggestion that your client can intentionally violate the terms of the RDA and then benefit from those breaches has no legal basis.

Given your client’s breach of the RDA and under the clear provisions of the RDA, your client has no interest in or right to the Project, and Construction Permit Application #25-0095 cannot be considered by the Village.

Sincerely,

VILLAGE OF RIVER FOREST

A handwritten signature in black ink, appearing to read "Lance C. Malina", written over a horizontal line.

Lance C. Malina

Cc: Catherine Adduci, Village President
Matthew Walsh, Village Administrator