


VILLAGE OF LOMBARD
REQUEST FOR BOARD OF TRUSTEES ACTION
For Inclusion on Board Agenda

Resolution or Ordinance (Blue) _____
Recommendations of Boards, Commissions & Committees (Green) _____
Other Business (Pink) _____
Waiver of First Requested


X

TO: PRESIDENT AND BOARD OF TRUSTEES

FROM: David A. Hulseberg, Village Manager 

DATE: March 11, 2009 (B of T) Date: March 19, 2009

TITLE: Downtown Retail Business Grant - 15 S. Park Avenue

SUBMITTED BY: The Department of Community Development 

BACKGROUND/POLICY IMPLICATIONS:

The Economic and Community Development Committee through the Department of Community Development transmits for your consideration a resolution authorizing signatures of the Village Manager and Village Clerk on an Agreement authorizing the disbursement of funds from the Downtown Retail Business Grant Program in an amount not to exceed \$20,000 for the proposed business known as Clancy's Corner Butcher Shoppe. (DISTRICT #1)

The Economic and Community Development Committee recommended approval of this request with the condition that the Village receive detailed sales tax collection information.

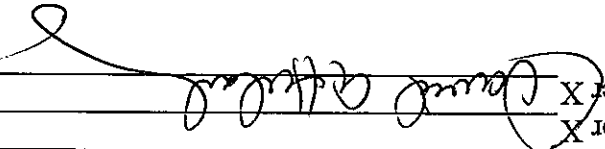
Please place this item on the March 19, 2009 Board of Trustees agenda.

Fiscal Impact/Funding Source:

Review (as necessary):

Village Attorney X

Finance Director X

Village Manager X 

Date

Date

Date


3/10/09

NOTE: All materials must be submitted to and approved by the Village Manager's Office by 12:00 noon, Wednesday, prior to the Agenda Distribution.



MEMORANDUM

TO: David A. Hulseberg, Village Manager

FROM: William J. Heniff, AICP, Director of Community Development 

DATE: March 19, 2009

SUBJECT: Downtown Retail Business Grant; 15 S. Park Ave

BACKGROUND

The Community Development Department has received an application for the Downtown Retail Business Grant Program for Clancy's Corner Butcher Shoppe, a proposed business to be located at 15 S. Park Avenue (formerly occupied by Java Jungle). Clancy's Corner Butcher Shoppe, which received a conditional certificate of occupancy on March 5, will operate as a butcher shop with retail and restaurant customers. The applicants have estimated their total start-up costs at over \$175,000, of which more than \$40,000 may be eligible for reimbursement under the Program Policy.

Because the request is over \$10,000, it will require approval from the Board of Trustees. On March 4, 2009 the Economic and Community Development Committee reviewed this request and unanimously recommended approval, with a condition that Clancy's Corner Butcher Shoppe shall authorize the Village to receive detailed sales tax collection information. This condition is reflected in the attached Downtown Retail Business Grant Program Participation Agreement.

ACTION REQUESTED

Staff recommends that the Village Board approve a resolution authorizing signatures of the Village Manager and Village Clerk on an Agreement authorizing the disbursement of funds from the Downtown Retail Business Grant Program in an amount not to exceed \$20,000 for the property located at 15 S. Park Avenue.

**A RESOLUTION AUTHORIZING SIGNATURES OF THE VILLAGE
MANAGER AND VILLAGE CLERK ON AN AGREEMENT AUTHORIZING
THE REIMBURSEMENT OF FUNDS FOR A DOWNTOWN RETAIL BUSINESS
GRANT FOR THE PROPERTY LOCATED AT 15 S. PARK AVENUE**

RESOLUTION _____ 09

WHEREAS, the Village is an agent for disbursement of funds for the Downtown
Downtown Retail Business Grant Program under the authority granted by the Village
Board and will provide monetary grants to qualified property owners in the Lombard
Downtown Tax Increment Financing (TIF) District and the Lombard St. Charles TIF 1
West District to increase the economic viability of Downtown Lombard by attracting
targeted retail businesses and assisting existing businesses (hereinafter referred to as the
"Program"); and,

WHEREAS, Jennifer Shannon and Jim Wolski (hereinafter referred to
collectively as "Owner"), wish to participate in the Program for renovation of the tenant
space located at 15 S. Park Avenue, Lombard, Illinois (hereinafter referred to as the
"Project"); and,

WHEREAS, the Project will complement and support the Village's plans to
maintain a quality Downtown;

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD
OF TRUSTEES OF THE VILLAGE OF LOMBARD, DUPAGE COUNTY, ILLINOIS,
as follows:

SECTION 1: That the Village shall provide Owner with a grant in an amount not
to exceed \$20,000 pursuant to the Program (hereinafter referred to as the "Grant"). Such
Grant shall be available to Owner upon the authorization of the Village's Director of
Community Development, after receipt of satisfactory evidence that the Project has been
completed and Owner has paid all invoices for labor and materials in connection
therewith.

SECTION 2: The Owner agrees that the Project will be performed in accordance with the submitted application, attached as Exhibit "A" and made a part hereof.

SECTION 3: The Owner will comply with the following/taking the following actions in connection with the Project:

- a. Comply with all regulations and standards of the Program and all applicable building codes of the Village.
- b. Take all reasonable action to assure completion of the Project within six (6) months from the date of execution of this Agreement. Failure to complete the Project within six (6) months from the date of the adoption of this Ordinance shall result in forfeiture of the Grant.
- c. Allow inspection of the Project by authorized employees of the Village to assure compliance with federal, state, and local regulations related to the Grant, as well as compliance with applicable building codes of the Village.
- d. Maintain the financial records that pertain to the Project, and allow access thereto by authorized employees of the Village. At a minimum, all contracts, change order, bills, invoices, receipts, cancelled checks and partial and final waivers of liens shall be maintained and made available to the authorized employees of the Village.
- e. Submit copies of all final waivers of lien, cancelled checks and invoices related to the Project to the Department of Community Development.
- f. Submit to the Village a completed Illinois sales tax release form.

SECTION 4: The Owner agrees to maintain the business at 15 S. Park Avenue in accordance with all Village codes and ordinances and agrees not to substantially change the use of the interior space of the building for which this Grant was received for a period of not less than three (3) years from the date of this Agreement.

SECTION 5: The Owner agrees that this Agreement may be duly recorded against the property located at 15 S. Park Avenue to serve notice upon future purchasers, assigns, estate representatives, successors, mortgages, and all other interested persons of the conditions outlined in this Agreement.

SECTION 6: The Village may suspend or terminate this Agreement if the Owner fails to comply with any of the terms of this Agreement. In the event of suspension or termination, the Business Owner shall be required to repay any amount of the grant disbursed.

SECTION 7: That the Village Manager be and hereby is authorized to sign on behalf of the Village of Lombard said document as attached hereto.

SECTION 8: That the Village Clerk be and hereby is authorized to attest said agreement as attached hereto.

Adopted this _____ day of _____, 2009.

Ayes: _____

Nays: _____

Absent: _____

Approved this _____ day of _____, 2009.

William J. Mueller
Village President

ATTEST:

Brigitte O'Brien
Village Clerk



**AGREEMENT CONCERNING PARTICIPATING IN THE
DOWNTOWN RETAIL BUSINESS PROGRAM**

This Agreement, entered into this _____ day of _____, 2009, by and between the Village of Lombard, Illinois, (the "Village"), Kenneth Moy (hereinafter referred to as "Property Owner"), and Jennifer Shannon and Jim Wolski (hereinafter referred to collectively as "Business Owner"), who intend to business as a retail business at 15 S. Park Avenue, Lombard, Illinois (said business location being legally described on Exhibit A attached hereto and made part hereof – hereinafter referred to as the "Subject Property"), with personal property being secured at 15 S. Park Avenue, Lombard, Illinois.

WITNESSETH

WHEREAS, the Village, pursuant to Sections 36.70 through 36.74 of the Lombard Village Code, has established a Downtown Retail Business Grant Program (hereinafter referred to as the "Program") and, as such, will provide monetary grants to qualified business owners and property owners in the Eligible TIF Districts (as said term is defined in Section 36.71 of the Lombard Village Code) for the start-up of new businesses or the expansion of existing businesses in the Downtown; and

WHEREAS, this program will compliment and support the Village's plans to maintain a quality Central Business District; and

WHEREAS, certain retail businesses are desirable uses within the Central Business District and contribute to an economically strong Central Business District; a commercial area where the image, appearance, and environment encourage the attraction of shoppers; and

WHEREAS, the Business Owner wishes to participate in this program for a retail business to be located at 15 S. Park Avenue, Lombard, Illinois.

NOW, THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the receipt of which is hereby acknowledged by the parties hereto, the parties agree as follows:

SECTION 1: The Village shall grant up to \$20,000 for which Business Owner qualifies pursuant to the Downtown Retail Business Grant Program. Such loan shall be available to Business Owner upon the authorization of the Village's Director of Community Development, after receipt of satisfactory evidence that the project has been completed and Business Owner has paid all invoices for labor and materials in connection therewith. The maximum amount of the loan identified in this paragraph are based upon the Business Owner's expending for the projects no less than the estimated costs of \$40,000. In the event that Business Owner's expenditures for the project are less than said estimate, the loan shall be reduced by the same percentage as Business Owner's actual costs are less than the estimate.

SECTION 2: The Business Owner agrees that the project will be performed in accordance with the application approved by the Director of Community Development of the Village of Lombard, and attached hereto as Exhibit B and incorporated in this agreement.

SECTION 3: The Business Owner will perform the following obligations in connection with the project;

- a. Comply with all regulations and standards of the Village of Lombard Retail Business Grant Program and all applicable building codes.
- b. Take all reasonable action to assure completion of the project within nine months from the date of execution of this agreement. Failure to complete the project within nine months from the date of execution of this agreement may result in forfeiture of the loan and termination of this agreement.
- c. Allow inspection of the project by authorized employees of the Village to assure compliance with federal, state, and local regulations related to the loan, as well as compliance with applicable building codes.
- d. Maintain and allow access to the financial records that pertain to the project by authorized employees of the Village. At a minimum, all contracts, change orders, bills, invoices, receipts, canceled checks and partial and final waivers of liens shall be kept.
- e. Submit copies of all final waivers of lien, canceled checks, and invoices related to the project to the Department of Community Development.
- f. Submit to the Village a completed Illinois sales tax release form.

SECTION 4: The Business Owner and any subsequent owner agrees to maintain the business in accordance with local codes

SECTION 5: The Village may suspend or terminate this Agreement if the Business Owner fails to comply with any of the terms of this Agreement. In the event of suspension or termination, the Business Owner shall be required to repay any amount of the grant disbursed.

VILLAGE OF LOMBARD

By: Village Manager

Attest: Village Clerk

BUSINESS OWNER
(Lessee)

By: _____

Address _____
City, State _____

BUSINESS OWNER
(Lessee)

By: _____

Address _____
City, State _____

PROPERTY OWNER

By: _____

Address _____

City, State _____

STATE OF ILLINOIS)
)
)SS
)
COUNTY OF DUPAGE)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO

HEREBY CERTIFY that David A. Hulseberg, personally known to me to be the Village

Manager of the Village of Lombard, and Brigitte O'Brien, personally known to me to be the

Village Clerk of said municipal corporation, and personally known to me to be the same persons

whose names are subscribed to the foregoing instrument, appeared before me this day in person

and severally acknowledged that as such Village Manager and Village Clerk, they signed and

delivered the said instrument and caused the corporate seal of said municipal corporation to be

affixed thereto, pursuant to authority given by the Board of Trustees of said municipal

corporation, as their free and voluntary act, and as the free and voluntary act and deed of said

municipal corporation, for the uses and purposes therein set forth.

GIVEN under my hand and official seal, this _____ day of 2009.

Commission expires _____, 20_____.

Notary Public

STATE OF ILLINOIS)
) SS)
) COUNTY OF _____)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that _____

_____, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that he/she signed and delivered the said instrument, as his/her free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and Notary Seal this _____ day of _____, 200____.
My commission expires _____, 20____.

Notary Public

STATE OF ILLINOIS)
) SS
) COUNTY OF _____)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that _____

_____, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that he/she signed and delivered the said instrument, as his/her free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and Notary Seal this _____ day of _____, 200____.
My commission expires _____, 20_____.

Notary Public

STATE OF ILLINOIS)
) SS
) _____)
) COUNTY OF _____)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that _____

_____, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that he/she signed and delivered the said instrument, as his/her free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and Notary Seal this _____ day of _____, 200____.

My commission expires _____, 20____.

Notary Public

Exhibit "A"

Legal Description of Subject Property

The North 39.85 feet of the South 49.85 feet measured on the West lot line and the North 28.8 feet of the South 38.8 feet measured on the East lot line of Lot 1 in Owner's Subdivision of Block 18 of the Original Town of Lombard, being a subdivision of the northeast quarter of Section 7, Township 39 North, Range 11, East of the Third Principal Meridian, according to the plat thereof recorded as Document no. 111637 in DuPage County, Illinois.

P.I.N.: 06-07-210-004

COMMON ADDRESS: 15 S. Park Avenue, Lombard, Illinois.

Exhibit "B"

Owner Project Plans and Cost Estimate
(attached)

DOWNTOWN RETAIL BUSINESS GRANT PROGRAM APPLICATION

1. A. Building Address: 15 SOUTH PARK
 B. Property Identification Number: *
2. A. Business Owners Name: JENNIFER STANWELL, JIM WOLSKI
 B. Business Owners Address: 15 SOUTH PARK.
3. A. Business Owners Name: KEN MOY.
 B. Property Owners Address: 15 SOUTH PARK.
 C. Business Owners Phone (daytime): (630) 627-9080 - 630-290-9080
3. Lease Terms: 5 year lease with a 5 year option.
 C. Property Owners Phone (daytime): ()
4. Description of Business (use additional paper if necessary):
 RETAIL BUTCHER STORE WITH AN ADDITIONAL WITHHOLD SIDE TO BE CONSTRUCTED IN MTH. BUTCHER STORE TO PROVIDE PREPARED MEATS AS WELL AS A LARGE ASSASSMENT OF MEATS.
5. Proposed Improvements associated with the project (use additional paper if necessary):
 PUTTING AN ENTIRELY NEW INTERIOR INTO THE BUILDING WHICH WILL PROVIDE A GREAT PUBLIC DRAW AND "PEOPLE FLOW" FOR THE DOWNTOWN AREA.

6. Plans/Drawings prepared by:

A. Name: DARYL DRACE

B. Address: 422 PILLIPS

GRV BLDG, IL 60137

C. Phone (day time): 630-790-2545

D. Estimated Cost of the project: \$ 175,000 - 200,000

7. Statement of Understanding.

- A. The applicant (undersigned) agrees to comply with the guidelines and procedures of the Downtown Retail Business Grant Program and the specific design recommendations of the Director of Community Development.
- B. The applicant must submit detailed cost documentation, copies of building permits, and all contractors waivers of lien upon completion of work.
- C. The applicant, owners, and all contractors must comply with all federal and local regulations (see the attached list).

Business Owner Signature

[Handwritten Signature]

(Date) 1/17/09

Property Owner Signature

[Handwritten Signature]

(Date) 1/19/09

Return application to:

Village of Lombard
Community Development Department
255 E. Wilson Ave., Lombard, IL 60148
630-620-5746

A. Our business is a wholesale and retail butcher shop supplying fresh meats of all types to the general public and to restaurants in the area. We are supplying our product at very reasonable prices in bulk as well as individual portions. We promote catering and delivery as an added feature to increase our customer base.

B. Our products are 20-50 percent lower in cost than the average butcher shop. We operate on smaller margins and sell a lot of blended products like sausage and stuffed burgers to keep our costs low. Our shop will be set up with enough refrigeration to expand 5 fold from our first year projections.

C. We will open the store with 7 restaurants that have already agreed to buy our product. Because of the pricing and quality as well as the heavy traffic on St. Charles, we feel the retail will grow slowly but steadily. And because of the volume of wholesale there is little pressure to be busy in store right away. The area has no meat shop like ours and the trend in today's economy is good value for your money and that is what we are all about.

D. We will open with no advertising as we feel word of mouth as well as our existing wholesale will get us going until we are comfortable with operating the store. We have been advertising our store at Shannon's Irish Pub in Glen Ellyn for months. So far we estimate 20,000 people have been contacted through the restaurant about the butcher shop. Pricing as indicated before will be eye popping to most people. The specials you see in normal stores will be our everyday pricing. Our marketing will come through word of mouth as people try our products.

E. We have 20 years experience in the wholesale meat, retail meat, and restaurant business. Our knowledge and experience should minimize our risk. Costs in the business which includes buildout and equipment should be about 200,000.

F. The location has very heavy traffic with adequate in and out parking. The facilities will all be brand new and the business will be operating with a minimum of labor other than the owners.

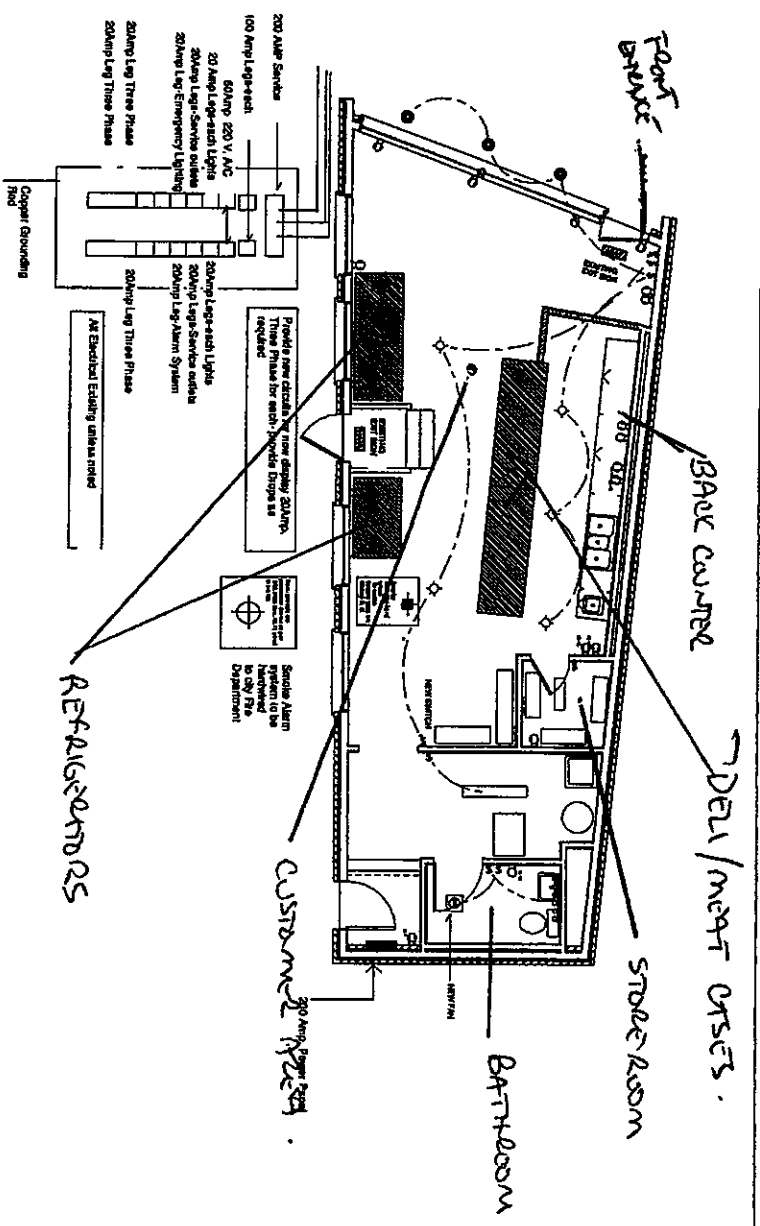
G. Our team:
Jim Wolski- butcher- has owned his own store and has run meat departments in such places as Whole Foods and Chicago Prime. Jim has been a butcher for 20 years
Jennifer Shannon- presently owns Shannon's Irish Pub in Glen Ellyn. She has been in the trade for 25 years.
Paul Elliott- has owned 15 different restaurants. Presently is a consultant in the industry.

Actual costs of Clancy's Corner Butcher Shoppe through January 31, 2009

1. Permits	1,100.00
2. Utilities and deposits	1,825.00
3. Architectural Fees	5,500.00
4. Trash removal	600.00
5. Electrical	2,100.00
6. Plumbing construction	16,400.00
7. Plumbing fixtures	3,100.00
8. Wall coverings	3,450.00
9. Floor coverings	5,100.00
10. Lighting	600.00
11. Refrigeration work	11,000.00
12. HVAC	2,200.00
13. Paint and patch	3,400.00
14. Signage	2,600.00
15. Window replacement	1,600.00
16. Equipment	55,000.00
Total	115,575.00

There is probably 5,000.00 more to spend in finish costs. Inventory for the cases will run approximately 15,000.00

NOT-1 ET-2



FLOOR PLAN

First Floor Electrical Plan
Scale 1/4" equals 1'-0"

First year estimation for the Butcher Shoppe of Lombard

Gross sales	960,000
Product cost	643,200
Gross Profit	316,800
Rent/cams	21,855
Debt service	36,000
Butcher	52,000
Heat/AC	30,000
Labor	36,000
Labor taxes	12,000
Insurance	3,600
Garbage	2,400
Alarm	480
Linens	480
Grease Trap	1,200
Accounting	1,500
Truck	8,400
Truck insurance	1,200
Phone	1,440
Total Expenses	208,260
Net profit	108,540

TEXTUAL SUMMARY REPORT

The Butcher Shoppe of Lombard

Date prepared:

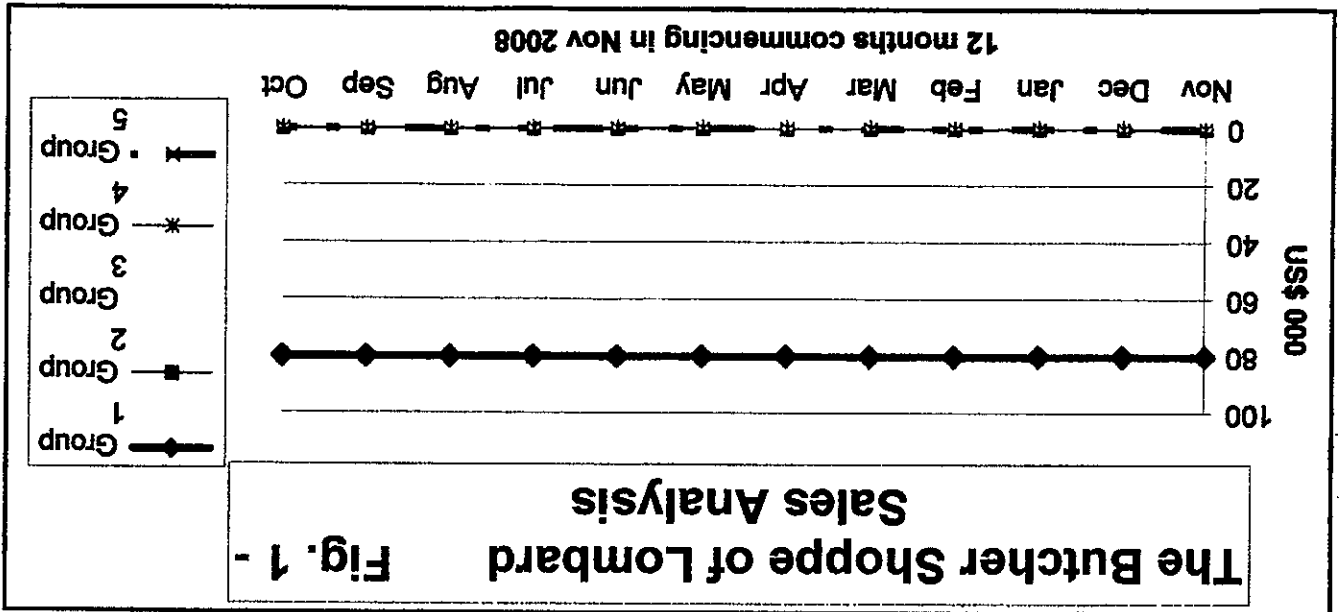
29-Aug-08

The following three operational & financial reports for THE BUTCHER SHOPPE O cover the months and years commencing in Nov 2008. They have been derived from the detailed assumptions in Exl-Plan's Monthly, Quarterly and Annual Reports.

1. FIRST-YEAR OPERATIONAL REPORT - THE BUTCHER SHOPPE O

This First-Year Operational Report covers the twelve months to end Oct 2009 based on detailed monthly projections and assumptions. The following table summarizes quarterly sales projections for this year:

Sales	Quarter Ends in Year to Oct 2009				Product Group:	% Quarterly changes
	1 Qtr	2 Qtr	3 Qtr	4 Qtr		
Group 1	240.0	240.0	240.0	240.0	Group 1	NA
Group 2					Group 2	
Group 3					Group 3	
Group 4					Group 4	
Group 5					Group 5	
Total sales	240.0	240.0	240.0	240.0	Total sales	
Annual Total	US\$000	US\$000	US\$000	US\$000	Annual Total	
	960.0	960.0	960.0	960.0		



Projected inventory levels for the four quarters are as follows:

Opening Inventories	Quarter Ends in Year to Oct 2009			
	1st	2nd	3rd	4th
Materials/goods	15.0	15.0	15.0	15.0
	US\$000	US\$000	US\$000	US\$000

The projected average materials/goods cost percentages for the four quarters are as follows:

Materials/Goods Costs	Quarterly Averages for Year to Oct 2009			
	1st	2nd	3rd	4th
Materials/goods costs	67.0	67.0	67.0	67.0
	% Sales	% Sales	% Sales	% Sales

The projected headcounts at quarter ends are as follows:

Headcount	Quarter Ends in Year to Oct 2009			
	1st	2nd	3rd	4th
Direct	Nos	Nos	Nos	Nos
Clerical				
Management				
Total headcount				

Direct costs and overhead expenses are summarized below.

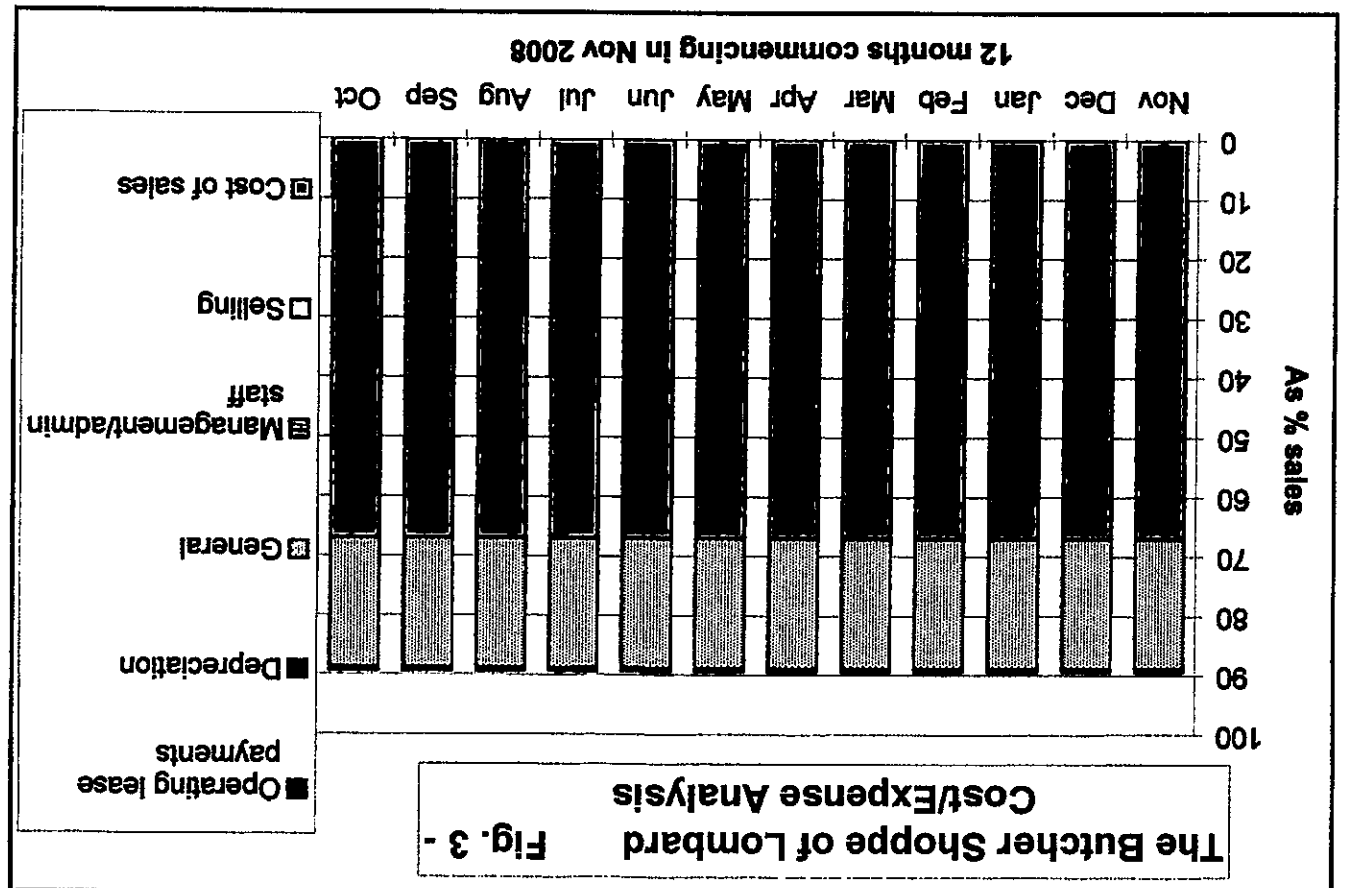
Cost Analysis	Quarters in Year to Oct 2009				Annual Total
	1st	2nd	3rd	4th	
Materials/packaging/goods	160.8	160.8	160.8	160.8	643.2
Direct labor	160.8	160.8	160.8	160.8	643.2
Other direct					
Total Cost of sales	160.8	160.8	160.8	160.8	643.2
Selling					
Management/admin staff					
General					
Total overhead expenses	52.2	52.2	52.2	52.2	208.8
Total direct costs & expenses	213.0	213.0	213.0	213.0	852.0

Longterm Debt	1st	2nd	3rd	4th	Annual
Increase in longterm debtnotes	US\$000 (2.5)	US\$000 (2.5)	US\$000 (2.5)	US\$000 (2.5)	US\$000 (10.0)
Longterm debtnote repayments	US\$000 (2.5)	US\$000 (2.5)	US\$000 (2.5)	US\$000 (2.5)	US\$000 (10.0)
Net changes in longterm debtnotes	US\$000 (2.5)	US\$000 (2.5)	US\$000 (2.5)	US\$000 (2.5)	US\$000 (10.0)

Changes in longterm debt are summarized below.

Capital Expenditure	1st	2nd	3rd	4th	Annual
Capital expenditure	US\$000	US\$000	US\$000	US\$000	US\$000
Total	US\$000	US\$000	US\$000	US\$000	US\$000

Proposed capital expenditure is summarized in the next table.



The Butcher Shoppe of Lombard
 Other significant transactions during the year include the following:

Other Transactions	Quarters in Year to Oct 2009				Annual Total
	1st	2nd	3rd	4th	
Proceeds of share issues	US\$000	US\$000	US\$000	US\$000	US\$000
Proceeds of fixed asset sales					
Dividends declared					

2. FIRST-YEAR FINANCIAL REPORT - THE BUTCHER SHOPPE O

This First-Year Financial Report covers the twelve months to end Oct 2009 based on detailed monthly projections and assumptions.

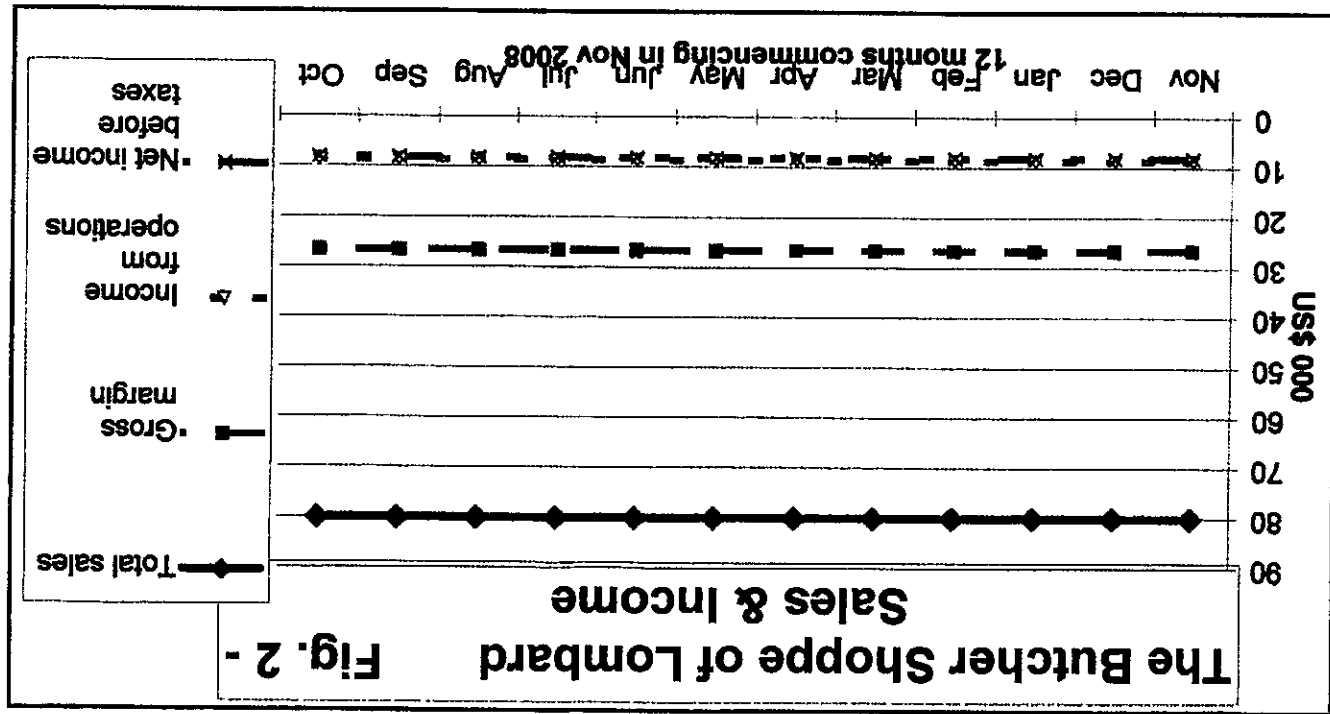


Fig. 2 - The Butcher Shoppe of Lombard Sales & Income

Based on projected sales of US\$960 000, THE BUTCHER SHOPPE O expects to report a pretax profit of US\$97 000 for the year.

The following table analyses these projections:

Year to end Oct 2009		US\$000	% Sales
Sales		960.0	100
Cost of sales		643.2	67
Gross Margin		316.8	33
Overhead expenses:			
-Selling			
-Management/admin staff			
-General		208.8	22
Depreciation		6.0	1
Operating lease payments			
Total operating expenses		214.8	22
Income from operations		102.0	11
Other income/expenses:			
-Profit (loss) disposal of fixed assets			
-Intangible asset amortization			
-Miscellaneous income			
Total other income (expenses)			
Earnings before interest & taxes		102.0	11
Interest expense/income:			
-Interest expense		5.3	1
-Interest income			
Net interest expense (income)		5.3	1
Net income before taxes		96.7	10

Based on detailed monthly projections, the net cash inflow for the twelve months will be US\$93 000. The projected year-end bank position will be a US\$93 000 cash balance.

The next table compares the projected results with those for the previous year which ended in Oct 2008.

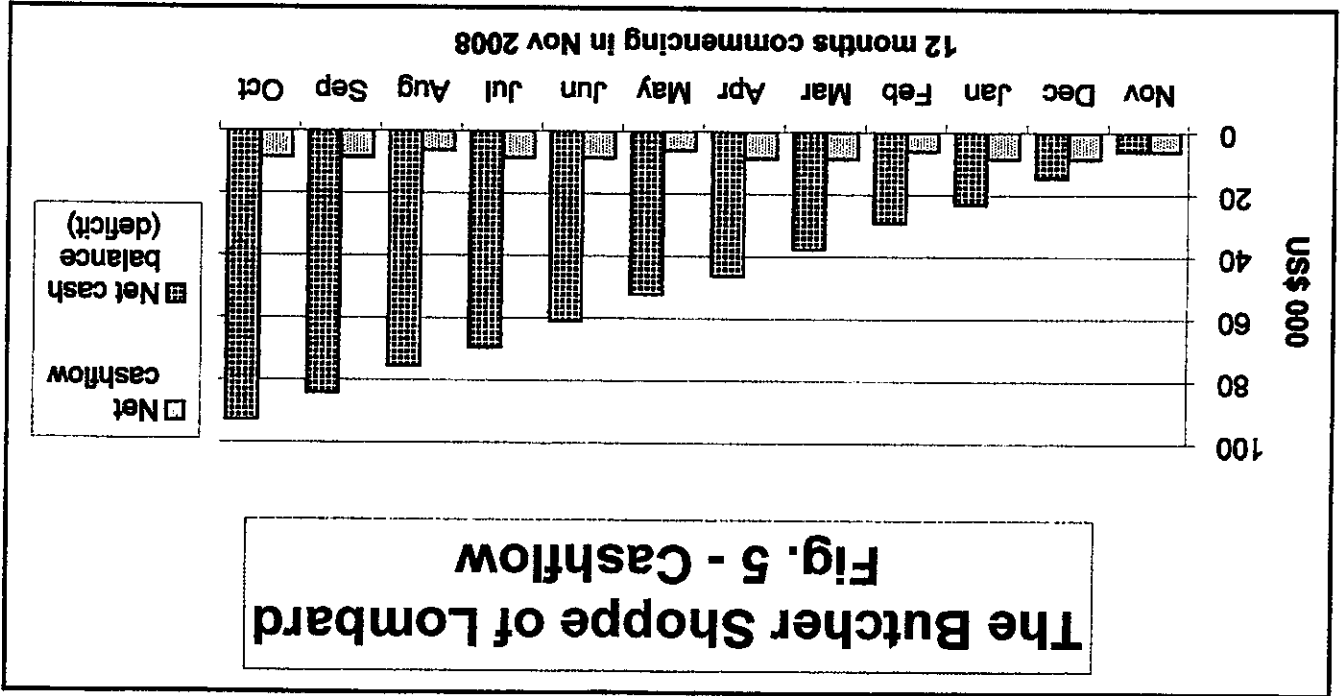
Years ending:		Oct 2008	Oct 2009	Change
		US\$000	US\$000	%
Sales		960.0	960.0	
Cost of sales		643.2	643.2	
Gross margin		316.8	316.8	
Total operating expenses		214.8	214.8	
Income from operations		102.0	102.0	
Other income, interest expense etc.		(5.3)	(5.3)	
Net income before taxes		96.7	96.7	
Taxes		33.8	33.8	
Net income		62.9	62.9	
Dividends declared				
Transferred to reserves			62.9	

This indicates that sales could increase by US\$960 000 while net income could improve by US\$97 000 over the year.

The following key ratios have been derived from the 12-month projections for the year ending Oct 2009:

Items	Value	Basis
Headcount:		
Direct workers		
All other staff		
Depreciation	4.0	Annual % rates
Interest rates (% pa):		
Cash at bank		
Short-term loans/line of credit	12.0	Monthly average
Longterm debt/notes	12.0	Monthly average
Working capital:		
Accounts receivable (days sales)		Based on full-yr sales
Inventory (days sales)	6	Based on full-yr sales
Accounts payable (days costs & exs)		Based on full-yr costs

The following key assumptions regarding rates etc. were used in compiling the projections for the year to end Oct 2009.



Cashflows	1st	2nd	3rd	4th	Annual Total
Total cash receipts	237.5	237.5	237.5	237.5	950.0
Total cash payments	214.4	214.4	214.3	214.2	857.3
Net cash flow	23.1	23.1	23.2	23.3	92.7
Closing cash balance (deficit)	23.1	46.2	69.4	92.7	

Quarters in Year to Oct 2009

US\$000

The Butcher Shoppe of Lombard The following table summarizes cashflows for the year by quarter.

Ratios	Max/Min		Full Year
	Monthly	or Year End	
Profitability:			
Gross margin (% sales)	33.0	Max Value	33.0
Net income before taxes (% sales)	10.1	Max Value	10.1
Current asset ratio (times)	3.2	Min Value	3.2
Debt/equity (%)	35	Max Value	-30
Sales/total assets (times)	3.8		3.8
Net income before taxes/total assets (%)	38.4		38.4
Projected sales as % breakeven			147

This table indicates that the following financial indicators derived from the detailed projections, may be out-of-line with generally-accepted norms:

* Sales/total assets ratio may indicate overtrading

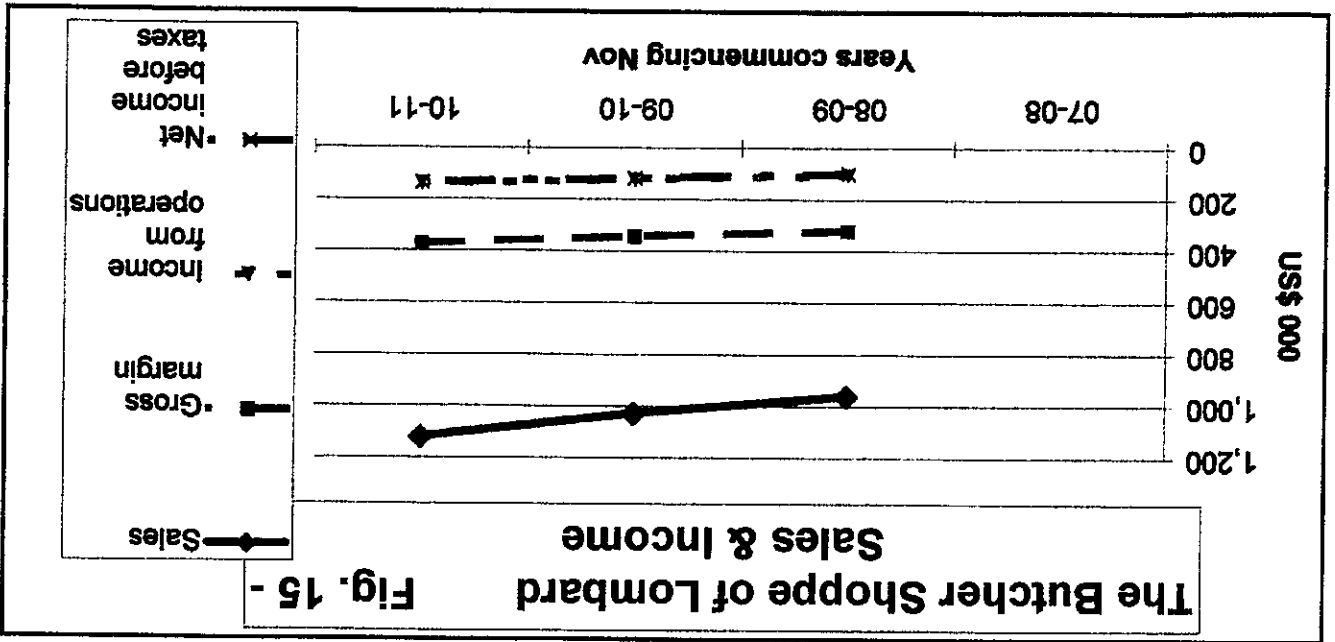
3. THREE-YEAR FINANCIAL REPORT - THE BUTCHER SHOPPE O

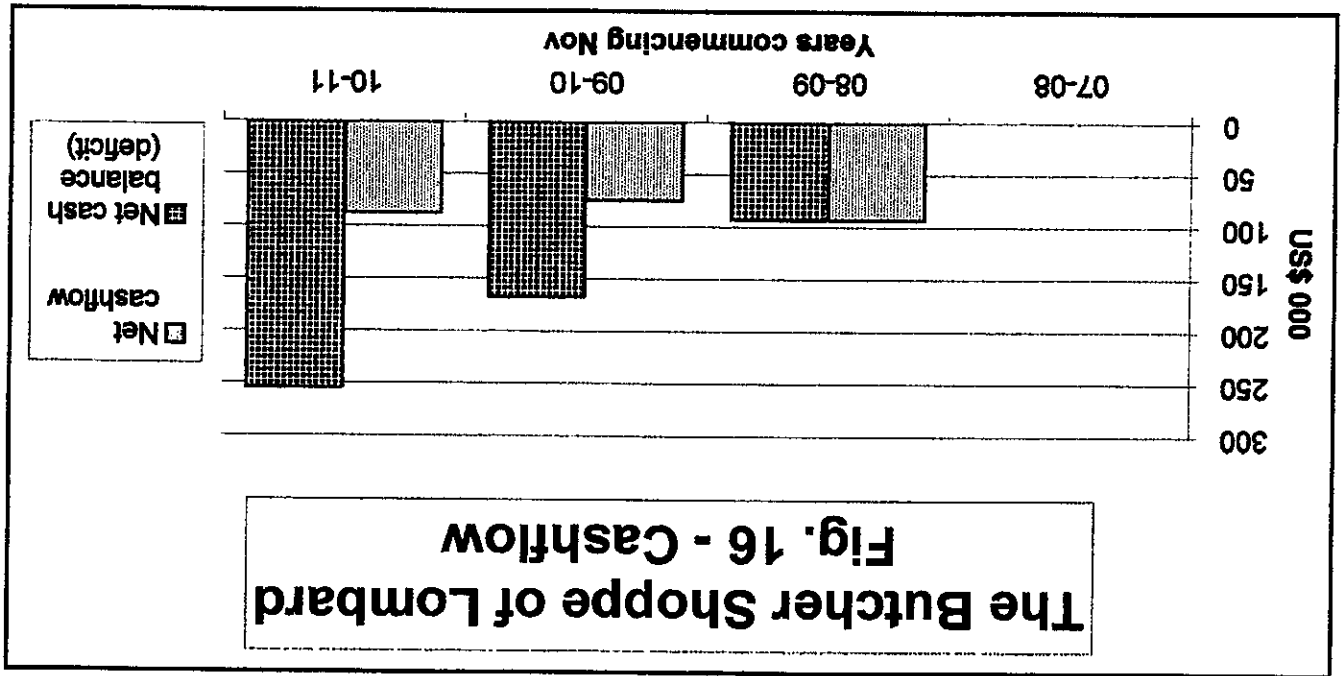
This Financial Report covers the three years to the end of Oct 2011. It has been based on detailed monthly projections for the first year and quarterly projections for the following years.

The following table summarizes the projected trading performance:

Years to end Oct	07-08	08-09	09-10	10-11
	Act/Est	Proj	Proj	Proj
	US\$000	US\$000	US\$000	US\$000
Sales	960	1,027	1,120	1,120
Cost of sales	643	688	750	750
Gross margin	317	339	369	369
Total operating expenses	215	221	234	234
Income from operations	102	118	136	136
Other income, interest	(5)	(4)	(3)	(3)
Net income before tax	97	114	132	132
Taxes	34	40	46	46
Net income	63	74	86	86
Dividends declared				
Transferred to reserve				

For the three years under review, sales should change by 17% and projected net income before taxes for the third year is US\$132 000.





The projected cashflows for THE BUTCHER SHOPPE O during the years under review are summarized below:

Years to end Oct	08-09	09-10	10-11
US\$000	US\$000	US\$000	US\$000
Proj	Proj	Proj	Proj
Net cashflows from:			
Operations	103	85	97
Investing activities			
Financing	(10)	(10)	(10)
Increase (decr) cash	93	75	87

The projected cumulative net cash inflow over the three years is US\$255 000.

The Butcher Shoppe of Lombard

The next table shows the projected balance sheets.

Years to end Oct	07-08	08-09	09-10	10-11
	Act/Est	Proj	Proj	Proj
	US\$000	US\$000	US\$000	US\$000
ASSETS				
Current assets:				
Cash	93	167	255	255
Other	15	15	16	17
Total Current Assets	15	108	183	272
Fixed & intang assets	150	144	138	132
Total assets	165	252	321	404
LIABILITIES				
Current liabilities:				
Short-term loans/cred				
Other				
Total Current Liabilit	34	34	40	46
Total longterm liabilit	50	40	30	20
Total owners' equity	115	178	252	338
Total liabilities	165	252	321	404

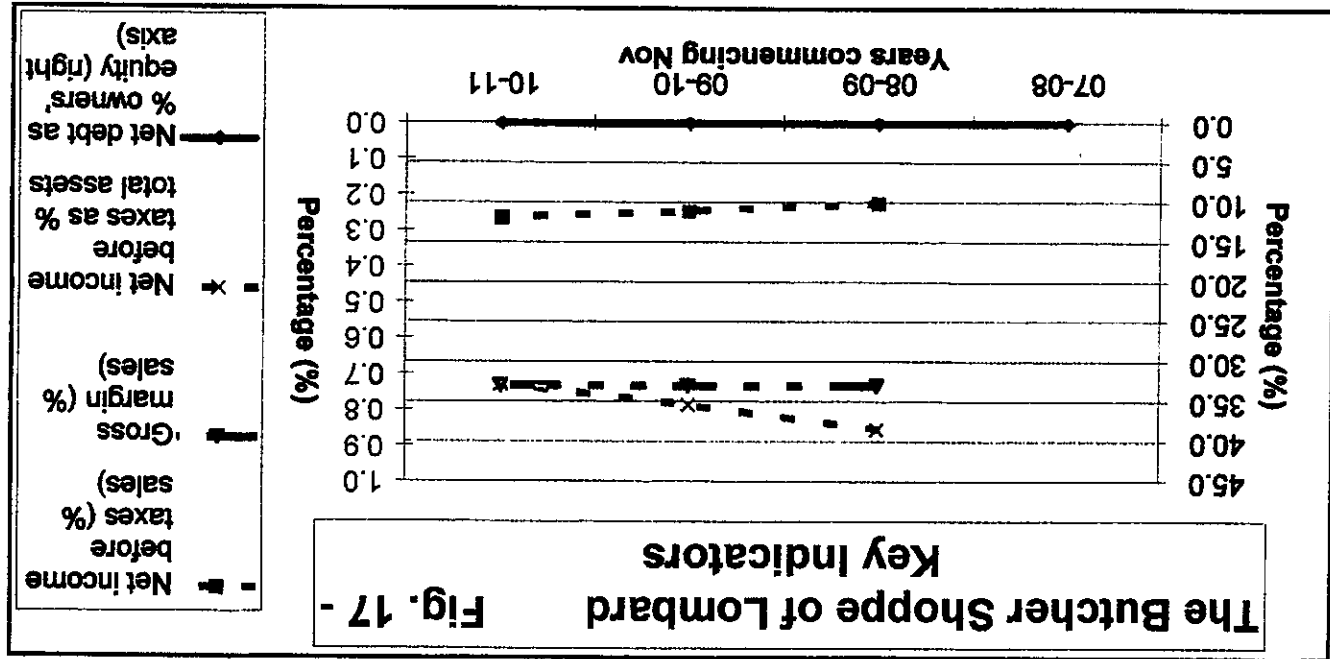
The projected change in owners' equity is US\$223 000 and the expected closing net cash position is US\$255 000.

The overall projected performance of THE BUTCHER SHOPPE O for the years under review is assessed in the following table:

Years to end Oct	08-09	09-10	10-11
	Proj	Proj	Proj
Gross margin (% sales)	33.0	33.0	33.0
Net income before taxes (% sales)	10.1	11.1	11.8
Sales as % breakeven	147	153	158
Net income before taxes/total assets	38.4	35.3	32.8
Sales/total assets (times)	3.8	3.2	2.8
Net debt as percent owners' equity (Max=200%)			
Net assets per share (US\$)	16.17	22.88	30.71
Earnings per share (US\$)	5.99	6.71	7.82
Dividend per share (US\$)			

The Butcher Shoppe of Lombard
 This table indicates that the following financial ratios may be
 out-of-line with generally accepted norms for one or more years:

* Sales/total assets ratio may indicate overtrading



This Indenture,

By and between Lessor Kenneth Moy

and Lessee Ms. Jennifer Shannon

WITNESSETH, that Lessor, does hereby demise and lease unto Lessee, who does hereby rent and take the Store Room(s) 11 and 15 South Park Avenue in the Village of Lombard, known and designated as its address which is to be used as a retail food & wholesale meat establishment from April 1, 2009 to March 31, 2014 at and for the sum of Dollars, for the said term, payable as follows:

*1st and 2nd years - \$3,000.00/month

3rd year - \$3,150.00/month

4th year - \$3,350.00/month

5th year - \$3,550.00/month

() on the day of each and every succeeding month in the term, or of any renewal or extension thereof, at the office of Lessor.

AND ALSO Service Charge: If rent is not paid by the 5th of the month, a processing and management fee of \$100.00 per month will be added to that month's rent.

AND THE SAID LESSOR ALSO AGREES, That Lessee is responsible for all decorating and utility costs and repairs. Lessee is responsible for maintenance and repairs of rental space and is responsible for sewer back ups and will be responsible for HVAC and garbage removal. Lessee has inspected the premises and accepts them as being in good operating condition suitable to intended occupancy in order to operate their business and complies with all local and State ordinances.

AND THE SAID LESSEE, in consideration of said demise, does hereby covenant and agree with the said Lessor, as follows:—

FIRST.—That he will take, and hereby does take, the said premises above described for the said term, at and for the said price, and on the terms of payment above stipulated and pay the same promptly at the time and place above specified, and at the termination of this lease by limitation or otherwise, he will deliver all the keys of the premises at the office of the lessor or agent where the rent above stipulated is to be paid, or to such other person and at such other place as the Lessor may direct.

SECOND.—That the Lessee has examined and knows the condition of said premises and has received the same in good order and repair, except as herein otherwise specified, and that no representations as to the condition or repair thereof have been made by the Lessor, or the agent of said party prior to, or at the execution of this lease that are not herein expressed or endorsed hereon; and upon the termination of this lease in any way, will yield up said premises to the Lessor in as good condition as the reasonable use thereof will permit with all the keys of the same, and shall not make any alterations in the demised premises without the written consent of the Lessor; and all alterations which may be made by either party hereto upon the demised premises except movable furniture and fixtures, put in at the expense of the Lessee shall be the property of the Lessor, and shall remain upon and be surrendered with the demised premises as a part thereof at the termination of this lease.

THIRD.—That the demised premises or any part thereof, shall not be assigned, sub-let or permitted to be used for any purpose other than the above mentioned, without the written consent of the Lessor.

FOURTH.—That the said Lessee will not allow said premises to be used for any purpose that will increase the rate of insurance thereon, nor be occupied in whole or in part by any other person, and will not assign this lease, without in each case the written consent of the Lessor (that had and will not permit any transfer, by operation of law, or of the interest in said premises acquired through this lease; and will not permit said premises to be used for any unlawful or immoral purpose, or purpose that will injure the reputation of the same or of the building or which they are a part, or disturb the tenants of such building or the neighborhood.

FIFTH.—That said Lessor shall not be liable for any damage occasioned by failure to keep said premises in repair, and shall not be liable for any damage done or occasioned by or from plumbing, gas, water, steam, or other pipes, electric wires or sewage, or the bursting, leaking or running of any cistern, tank, wash-stand, water-closet or waste-pipe, in, above, upon or about said building being upon or coming through the roof, sky-light, trap-door, entrance, yard, or otherwise; nor for any damage arising from acts or neglect of co-tenants or other occupants of the same building, or any owners or occupants of adjacent or contiguous property.

SIXTH.—To allow the Lessor free access to the premises hereby leased for the purpose of examining or exhibiting the same, or to make any needed repairs or alterations of said premises which said Lessor may see fit to make.

SEVENTH.—That if the Lessee shall fail to pay the rent at the time, place and in the manner above provided and same shall remain unpaid five days after the day wherein the same should be paid as aforesaid, the Lessor or agents, by reason thereof, are authorized to declare the term ended, and re-possess the demised premises either with or without process of law, and expel the Lessee, and those claiming under the Lessee and remove his, her or their effects, forcibly if necessary. Or in case the demised premises shall be abandoned, deserted, or vacated, and remain unoccupied five days consecutively, the Lessee hereby authorizes and requests the Lessor as Lessee's agent or attorney to re-enter the demised premises and remove all articles found therein, place the same in a storage warehouse, or store the same in any other suitable place at Lessee's risk and expense, proceed to re-let the demised premises at the Lessor's option and dis-

IT IS EXPRESSLY AGREED, Between the parties hereto, that if default be made in the payment of the rent above re- served, or any part thereof, or in any of the covenants and agreements herein contained, to be kept by the Lessee, it shall be lawful for the Lessor or the legal representative of said Lessor, at any time thereafter, at the election of Lessor or the legal representatives thereof, without notice, or demand of rent, to declare the said term ended, and to re-enter the demised premises, or any part thereof, either with or without process of law, and to expel, remove and put out all the contents thereof as well as the Lessee and any person(s) or firm(s) occupying the same, using such force as may be necessary so to do, and to re-possess and enjoy the said premises as before this demise, without prejudice to any remedies which might otherwise be used for arrears of rent or preceding breach of covenants, and Lessee further covenants and agrees that the Lessor or the representative or assigns of said party, shall have, at all times the right to distrain for rent due, and shall have a valid and preferred first lien upon all property of Lessee as security for the payment of rent herein re- served.

TWENTY-FIRST.—Tenant will be responsible for all upgrades and updates as required to satisfy their needs for various State and local codes at their expense.

TWENTY-THIRD.—The rental for 15 S. Park Ave., Lombard, will be allocated at \$1,300.00/month and 11 S. Park Ave., Lombard, which includes the warehouse at \$1,700.00/month.

NINETEENTH.—Tenant agrees to lease separately 15 S. Park Ave., Lombard, beginning 11/01/08 pending the full occupancy of 11 and 15 S. Park Ave., Lombard, at a monthly rental of \$1,000.00/month. Lessor will allow a credit of \$2,500.00 on this rental and tenant will pay beginning in January of 2009 \$500.00 and thereafter at the rate of \$1,000.00 per month until April 1 when the full \$3,000.00 rental fee will be due for both stores.

EIGHTEENTH.—HVAC replacements. Lessee shall at its expense provide routine preventive maintenance of the HVAC system at the premises. Lessee shall be responsible for paying for the replacement of HVAC components. Lessor shall not be responsible for such replacement and the costs thereof.

SEVENTEENTH.—That the Lessee will in every respect comply with the ordinances of this city, with the rules and orders of the board of health thereof, with the orders and regulations of the police department, with the requirements of the Underwriters Association so as not to cause any rate in the rate of insurance above the present rate of \$ per \$100 upon the building and contents thereof, and with the rules and orders of the fire department in respect to any matters coming within their jurisdiction. Lessee further covenants and agrees with said Lessor, to take good care of the store room demised and the fixtures, and commit

ELVENTH.—Said Lessee agrees to pay all of the water rents or bills assessed against the said buildings and all gas and electric bills against the premises hereby leased promptly as they shall become due and in case Lessee shall fail to pay the same, Lessor may at his or her option pay the same, and the amount of such bills together with seven per cent. interest thereon from date of such payment add to the next payment of rent due under the terms hereof without notice or demand.

TENTH.—That Lessee will not permit anything to be thrown out of the windows, or down the halls or passageways in said building; that no objectionable or unwholesome pictures, goods, wares, merchandise and advertising matter, or signs shall be kept in front of or about said premises. That no birds or animals shall be kept therein, and that the halls and stairways and the porches shall not be used for the storage of furniture, merchandise or other articles.

NINTH.—IT IS FURTHER COVENANTED AND AGREED, by said Lessee, that there shall not be kept or used on or near said premises any volatile, noxious, or explosive matter, including but not limited to the following: naphtha, benzine, benzole, gasoline, varnish, or any product in whole or in part of either gunpowder, fireworks, nitro-glycerine, phosphorus, nitrate of soda, camphene, spirit-gas or any burning fluid or chemical without the written permission of the Lessor.

FIFTEENTH.—That the Lessee shall restore the demised premises to Lessor, with glass of like kind and quality in the several doors, windows, gas and electric fixtures thereof, and undeposited, as is now therein; and will not allow any waste of water or misuse or neglect the utility fixtures in the demised premises, and will pay all damages to the demised premises as well as all other damages to all other tenants, caused by such waste or misuse.

THIRTEENTH.—That the Lessee shall give the Lessor, or the Lessor's representative, prompt written notice of any damage to or defect in the water pipes, gas pipes, heating apparatus, or other portion of the premises.

FOURTEENTH.—The Lessor shall not be liable for any loss or damage of or to any property or merchandise placed in the building.

SIXTEENTH.—Lessor reserves the right to put up a "For Sale" sign at any time during the term of this lease.

SEVENTEENTH.—That the Lessee will in every respect comply with the ordinances of this city, with the rules and orders of the board of health thereof, with the orders and regulations of the police department, with the requirements of the Underwriters Association so as not to cause any rate in the rate of insurance above the present rate of \$ per \$100 upon the building and contents thereof, and with the rules and orders of the fire department in respect to any matters coming within their jurisdiction. Lessee further covenants and agrees with said Lessor, to take good care of the store room demised and the fixtures, and commit

The Lessee hereby irrevocably constitutes any attorney of any Court of Record of this State, attorney for him and in

his name to enter his appearance in any Court of Record, waive process and services thereof, and trial by jury, and con- fees judgment against him in favor of said Lessor, or his assigns, from time to time, for any rent which may be due to said Lessor, or his assigns, by the terms of this lease, with costs and reasonable attorneys fees, and to waive all errors and all right of appeal from said judgment and judgments, and to file a consent in writing that writ of execution may be issued immediately; said Lessee hereby expressly waiving all right to any notice or demand under any statute in this State, re- lating to forcible entry and detainer or landlord and tenant and agrees that the Lessor, his agents or assigns may begin suit for possession or rent without notice or demand. Notice of election to terminate this lease, or notice of any election hereunder, is hereby expressly waived by Lessee.

IT IS FURTHER AGREED, By the parties hereto, that after the service of notice, or the commencement of a suit, or after final judgment for the possession of said premises, the Lessor may receive and collect rent due, and the payment of rent shall not waive or affect said notice, said suit or said judgment.

In case said premises shall be rendered untenable by fire or other casualty, the Lessor may at his option terminate this lease, or repair said premises within 180 days, and falling so to do, or upon the destruction of said premises by fire, the term hereby created shall cease and determine.

IT IS FURTHER COVENANTED AND AGREED, By Lessee that he will pay and discharge all reasonable costs, attorneys fees and expenses that shall be made and incurred by Lessor in enforcing the covenants and agreements of this lease; and such costs, fees and expenses may be taxed as costs in any suit or proceedings that may be brought to en- force any of such covenants or agreements.

TWENTY-SECOND.—Tenant will carry fire and liability insurance to cover their business and liability insurance at a minimum of \$1,000,000.00 with the landlord as an added insured and will also carry glass insurance for breakage and replacement.

TWENTY-THIRD.—Lessor is responsible for all real estate taxes.

TWENTY-FOURTH.—Lessee is responsible for all heating and air conditioning equipment and maintenance and hot water heater and all utility expenses.

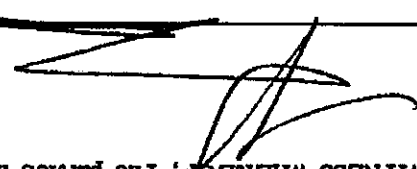
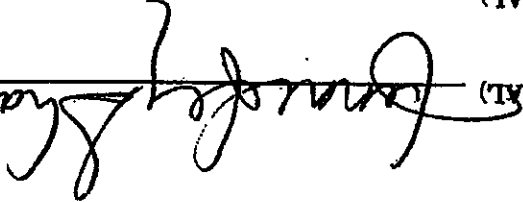
TWENTY-FIFTH.—There will be no interest paid on the security deposit and there will be a minimum charge of \$1,000.00 for any subleasing required by Lessor.

TWENTY-SIXTH.—Lessor grants to tenant an option to purchase said buildings at 11, 13 and 15 S. Park Ave., Lombard, on a right of first option if there is a bonafide contract by a third party during the term of this lease.

TWENTY-SEVENTH.—Lessee will have the partnership along with all partners guarantee personally guaranty this lease and submit all required credit information.

IT IS HEREBY FURTHER EXPRESSLY STIPULATED AND AGREED, By and between the parties hereto, that the words "Lessor" and "Lessee" wherever herein occurring and used, shall be construed to mean "Lessors" and "Les- sees" in case more than one person constitutes either party to this lease; that the pronouns "he", "him" or "his" when referring to the "Lessor or Lessee" shall be construed in the feminine, neuter or plural appropriately and that all the covenants and agreements herein contained shall be binding upon, and inure to, their respective successors, heirs, execu- tors, administrators and assigns, and be exercised by his or their agent or attorney.

IN WITNESS WHEREOF, The parties have hereunto set their hands and seals, this day and year first above written.

(SEAL)  (SEAL)
(SEAL)  (SEAL)