




## MEMORANDUM

**TO:** Trustee Laura Fitzpatrick, Chairperson  
Economic and Community Development Committee

**FROM:** Jennifer Ganser, Assistant Director of Community Development 

**DATE:** November 10, 2014

**SUBJECT:** Downtown Retail Business Grant; 14 W. St. Charles Road (Balkan Bakery and Coffee)

The Community Development Department has received an application for the Downtown Retail Business Grant for Balkan Bakery and Coffee located at 14 W. St. Charles Road. The applicant is seeking to add two new bathrooms, a kitchen prep area, new flooring, installation of a new hood and oven, and updated electric. All work consists of interior improvements.

The property is located in the Downtown TIF. The total cost of the project is \$41,273.00 and is grant eligible up to \$20,000.00 (up to 50% of the eligible project costs; not to exceed \$20,000.00, unless specifically approved by the Village Board). In 2011, 14 W. St. Charles Road received a Downtown Retail Business Grant in the amount of \$11,737.50 for renovations to the electrical systems, HVAC systems, and new partition walls.

Balkan Bakery and Coffee leased the property at 14 W. St. Charles Road. A copy of the lease is attached to show they meet the three year lease provision set forth by the guidelines. The first floor is currently vacant and there is a vacant property to the east of the building. Balkan Bakery and Coffee met with the College of DuPage Small Business Development Center for a business plan review and guidance. A copy is attached for review.

The Lombard Downtown Revitalization Project Guidebook focuses on aesthetic standards in Section 4. The design recommendations can be applied to numerous buildings in downtown Lombard. Recommendations include buildings with fabric awnings containing signage and gooseneck lighting, and keeping with the character of downtown Lombard. Page 12 (attached) of the Guidebook highlights the building at 14 W. St. Charles Road. The Guidebook suggests façade enhancements, garden cafes, and outdoor dining – all of which is consistent with the request from Balkan Bakery and Coffee.

It should be noted that all grant requests paid for by Village of Lombard TIF dollars shall comply with the Illinois Prevailing Wage Act. Therefore, if the grant is approved by the Village Board of Trustees, the applicant shall sign an acknowledgement form indicating that they are aware that this project is subject to prevailing wages.

**GRANT REQUEST ELEMENTS**

Balkan Bakery and Coffee has submitted architectural drawings.

*Interior build-out*

Balkan Bakery and Coffee is seeking to install interior improvements such as adding two new bathrooms, a kitchen prep area, new flooring, installation of a new hood and oven, and updated electric. The applicant has submitted three bids for the proposed work and based on the lowest bid the applicant is eligible to receive up to \$20,000.00.

<b>Contractor</b>	<b>Price Quote</b>
MJK Remodeling	\$48,160.00
All in One Remodeling	\$51,300.00
<b>Rico Construction</b>	<b>\$41,273.00</b>

Staff is supportive of the request for the following reasons:

1. Consistent with the recommendations of the Lombard Downtown Revitalization Project Guidebook.
2. Consistent with past approval for other façade grant requests.
3. The new interior would create a wanted business for the corridor and improve the building's interior.
4. Support from Lombard Town Centre.

*Conditions of Approval*

Staff proposes the following conditions be placed on the grant, if approved by the Village Board of Trustees. The conditions would be incorporated into a Resolution, subject to approval from the Village Board of Trustees.

1. The project must comply with the Illinois Prevailing Wage Act. Since the project will be partially funded by grant (from the Downtown TIF) the project must comply with the Illinois Prevailing Wage Act.
2. Permits must be applied for and received for all of the work. Permits should be applied for with the Building Division and will be ready after the appropriate departments/divisions are able to sign off stating that the project meets code.
3. Before the grant can be paid out, the petitioner will submit a final receipt (showing it is paid in full) and waivers of lien from the contractors. This ensures that the project is paid in full before the Village remits the grant funds.

**COMMITTEE ACTION REQUESTED**

This item is being placed on the November 10, 2014 ECDC agenda for consideration. Staff recommends that the ECDC recommend approval to the Village Board for the requested Downtown Renovation and Improvement Grant being sought by Balkan Bakery and Coffee for

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14 W. St. Charles Road  
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the property at 14 W. St. Charles Road. The project total is \$41,273.00 and is grant eligible up to \$20,000.00. As this request is over \$10,000, it requires final approval from the Village Board of Trustees. Said recommendation is subject to the following conditions, by the Village Board of Trustees:

1. The project must comply with the Illinois Prevailing Wage Act.
2. Permits must be applied for and received for all of the work.
3. Before the grant can be paid out, Balkan Bakery and Coffee will submit a final receipt (showing it is paid in full) and waivers of lien from the contractors.

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**DOWNTOWN RETAIL BUSINESS GRANT PROGRAM  
APPLICATION**

1. A. Building Address: 14 W St Charles Rd Lombard IL 60148  
B. Property Identification Number: 0607206020
  
2. A. Business Owners Name: Dragica Mitic  
B. Business Owners Address: 84 W Nevada Ave  
Glendale Heights, IL 60139  
C. Business Owners Phone (daytime): (630) 461-0882
  
3. A. Property Owners Name: Garrick Nielson & Ed O'Neil  
B. Property Owners Address: 236 E St. Charles Rd  
Lombard, IL 60148  
C. Property Owners Phone (daytime): (312) 371-2191 & (708) 415-5830
  
3. Lease Terms: 3 years Lease agreement.
  
4. Description of Business (use additional paper if necessary):  
Bakery a sandwich shop. Outside  
deck to enjoyable experience.
  
5. Proposed Improvements associated with the project (use additional paper if necessary):  
There will be 2 new bathrooms, ADA compliant  
w/ new water supplies and drainage. Electrical  
upgrades - panel w/ 3 phase capability + interior LED  
lighting. All flooring. Construction of a dry storage  
in basement + new staircase to Basement.

6. Plans/Drawings prepared by:

A. Name: Ken Brandeis

B. Address: 1800 Hawthorne Lane Suite @  
West Chicago, IL 60185

C. Phone (day time) (708) 917-5708

D. Estimated Cost of the project: \$ about \$40,000

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 Magica Utic (Date) 10-1-14

Property Owner Signature [Signature] (Date) 10-1-14

Return application to:

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

## LEASE AGREEMENT

THIS LEASE, made as of the 23rd day of August, 2014, by and between Wailea Holdings, LLC (hereinafter referred to as "Landlord"), and Balkan Bakery & Cafe, Inc. (hereinafter referred to as "Tenant"):

### WITNESSETH:

For and in consideration of and subject to the mutual covenants and agreements hereinafter stated, Landlord does hereby lease to the Tenant, and Tenant hereby leases from Landlord, solely for the purposes hereinafter set forth, the premises 14 W. St. Charles Road located in Lombard, State of Illinois consisting of 1,625 square feet more or less on the first floor, use of vacant lot (subject to ingress and egress space requirements for second floor tenant) and partial use of the basement.

1. **TERM AND USE:** This Lease shall be for a term beginning on 1<sup>st</sup> day of September, 2014, and expiring on the 31<sup>st</sup> day of August, 2017.

1a. The demised premises shall be used for the purpose of a bakery restaurant and for all uses incident to the foregoing and for no other purpose.

1b. No smoking is allowed inside the leased space including the vacant lot.

2. **RENT:** **Rent for September 2014 and October 2014 is waived.** Tenant shall pay to Landlord the sum of FIFTY FOUR THOUSAND AND SIX HUNDRED DOLLARS AND NO CENTS (\$54,600.00) in rent installments as follows:

September 1, 2014 – August 31, 2015	\$1,500.00/month
September 1, 2015 – August 31, 2016	\$1,600.00/month
September 1, 2016 – August 31, 2017	\$1,700.00/month

2a. All rentals and other sums due under this Lease shall be paid to Landlord at 236 E. St. Charles Road, Lombard, IL 60148, or at any other such address as Landlord may from time to time direct in writing.

2b. Rent payments are due in advance without offset promptly on the first day of every calendar month.

If the Lease commences and/or terminates on other than the last day of the month, a prorated monthly installment shall be calculated based on a 30 day month.

2c. **LATE CHARGE:** If rents are received late, Tenant shall pay on demand a late charge

equal to 5% of the late installment, and 5% of each month thereafter until paid in full.

3. SECURITY DEPOSIT: Tenant shall deposit with Landlord, upon complete execution and delivery of this Lease, the below listed amount (\$3,000.00) and first month's rent (\$1,500.00) to be held by Landlord, without obligation to pay interest, as security for Tenant's covenant to pay the rent and perform all other obligations required under the terms and provisions thereof. Landlord may commingle the security deposit with other funds of the Landlord. In the event of any default on the part of Tenant, Landlord shall have the right to apply such security deposit, or any portion thereof, to cure such default after a 10 day written notice is given to Tenant. In the event the security deposit is reduced by reason of such application, then within five (5) days after notice from Landlord, Tenant shall deposit with Landlord such sum as may be necessary to restore the security deposit to its original amount.

3a. Security Deposit Required: \$3,000.00

3b. Security Deposit Transfer

If the Premises or Building is sold or otherwise conveyed by Landlord, the security deposit may be transferred to Landlord's successor, and if so, Tenant hereby releases Landlord from any and all liability with respect to said deposit and its application or return.

3c. Security Deposit Increase

If Tenant is in default under this Lease more than two (2) times within any twelve-month period, irrespective of whether or not such default is cured, then, without limiting Landlord's other rights and remedies provided for in this Lease or at law or equity, the Security Deposit shall automatically be increased by an amount equal to the greater of:

- a. Three (3) times the original Security Deposit; or
- b. Three (3) months' rent, which shall be paid by Tenant to Landlord forthwith on demand.

3d. Return of Security Deposit

Landlord shall refund the security deposit to Tenant within 30 days after the termination of this Lease, but if the security deposit had been reduced to cure any default on the part of Tenant and has not been restored to its original amount, only the remainder of the security deposit, if any, shall be refunded to Tenant upon termination of this Lease. Landlord may deduct from the security deposit the cost to repair any and all damage to the demised property including but not limited to damage to any fixtures other than ordinary wear and tear, unpaid utility bills, removal of tenant's property. An itemized

statement of deductions, if any, shall be provided by landlord with the return of the remainder of the security deposit.

**4. HEAT, AIR CONDITIONING EQUIPMENT AND UTILITIES:** During the term of this Lease and extension thereof, Landlord covenants and agrees to cause the demised premises to be adequately equipped with air conditioning and heating for all areas, hot and cold water, gas and lighting.

4a. Tenant shall assume and pay for all electricity, gas, water or other utilities which may be used in the demised premises during the term of this Lease or any extension thereof, including utilities used for air conditioning. In the event Tenant shall fail to pay for any such utilities, Landlord may pay the same, which payment shall then be considered additional rental immediately due and payable to the Landlord by the Tenant.

It shall be Landlord's responsibility to replace the heating and/or air conditioning units if the units are unable to be repaired during the term of the Lease Agreement. Tenant is responsible for the maintenance and repair of the units and having the units serviced on a yearly basis. Heating and/or air conditioning units shall be deemed "unable to be repaired," if the cost of repair exceeds \$1500. However, Tenant shall be solely responsible for the cost of replacement, if the unit(s) condition results from Tenant's failure to adequately maintain and service the unit(s) eg. failure to change filters at least once a month and more frequently if needed, keeping vents and returns clear, professional servicing at least once a year etc.

**5. CONDITION OF PREMISES:** The taking of possession of the demised premises by Tenant in "as is condition" shall be conclusive evidence as against Tenant that the demised premises were in good order and satisfactory condition at the time of such possession. Except as provided in this Agreement, no promise of Landlord to alter, remodel, improve, repair, decorate or clean any part of the demised premises, and no representation respecting the condition of the demised premises or the building of which said premises are a part, has been made by Landlord to Tenant. Tenant shall, at all times, keep the demised premises in a clean and sanitary condition, in accordance with the applicable laws, directions, rules and regulations of governmental agencies having jurisdiction, and at Tenant's sole expense, and in all respects, Tenant shall comply with all requirements of law applicable to the demised premises.

5a. Except as otherwise provided herein, Landlord shall not be obligated to incur any expenses for repair of any improvements on the interior of the demised premises, or connected therewith, including plumbing, heating and ventilating and electrical equipment, and service, and Tenant, at its expense, will keep the interior of the demised premises, and all such improvements or equipment not to be repaired by Landlord, in a state of good order and repair (injury by fire or other causes beyond Tenant's control excepted), as well as in a good tenantable and wholesome condition. Tenant will, as far



as possible, keep said improvement from deterioration due to ordinary wear and from falling temporarily out of repair. If Tenant does not make repairs, as required herein, promptly and adequately, Landlord may, after ten days prior written notice, but need not, make such repairs, and pay the cost thereof, and such cost shall be additional rental immediately due and payable by Tenant to Landlord. Without limitation of the foregoing, Landlord at its own expense will keep the exterior of the demised premises in good condition and repair, including, without limitation, the roof of the building.

6. ALTERATIONS AND USE OF THE PREMISES: (a) After Tenant takes possession of the demised premises, no structural alterations or additions shall be made during the term aforesaid in or to the same without the consent of Landlord first being obtained in writing: if any such alterations or additions are made, they shall become a part of the demised premises and the property of the Landlord unless otherwise provided for in the consent referred to above. The Tenant shall not suffer or permit any waste, overloading, damaging or defacing of the demised premises or any use thereof which shall be unlawful, improper or offensive or contrary to any municipal ordinance, state statues or federal laws or injurious to any person or property. Tenant further agrees that no act or thing shall be done upon the demised premises which may make void or voidable any insurance covering the demised premises or any part thereof.

(b) The Tenant shall not make or permit any noise or odor that violates the letter or spirit of any Village of Lombard, State of Illinois, County of Du Page, municipal or local governmental agencies and bodies, organization or authority having jurisdiction, building or zoning code or regulation, or other statute or regulation, or that is objectionable to emanate from the Building and Premises, and shall not create or maintain a nuisance thereon;

(c) The Tenant shall not install any musical instrument or equipment in the Building or demised premises, or any antennas, aerial wires or other equipment on the Premises or inside or outside the Building, without, in each and every instance, prior approval in writing by the Landlord and the Village of Lombard, State of Illinois, County of Du Page, municipal or local governmental agencies and bodies, organization or authority having jurisdiction, if required. The use thereof, if permitted, shall be subject to control by the Landlord to the end that others shall not be disturbed or annoyed;

(d) Tenant may not change the locks to the Building or demised premises without the Landlord's written consent. Locks changed shall be at the Tenant's expense and the Tenant must immediately upon the changing of the locks provide Landlord with two sets of keys for each lock. Upon termination of this Lease or of the Tenant's possession, the Tenant shall surrender all keys to the demised premises and shall make known to the Landlord the explanation of all combination locks on safes, cabinets and vaults;

(e) The Tenant shall be responsible for the locking of doors in and to Building and the demised premises. Any damage resulting from neglect of this clause shall be paid for by Tenant;

(f) The Tenant shall not obstruct, or use for storage, or for any purpose other than ingress and egress the sidewalks, entrances, passages, courts, corridors, vestibules, halls, elevators and stairways of the Building or demised premises;

7. LIENS: Tenant will not permit any mechanic's liens to be placed upon said demised premises or the building or the real estate, during the term hereof, and in the case of the filing of any such lien, will promptly remove the same. If default in payment thereof shall continue for thirty (30) days after written notice thereof from the Landlord to the Tenant, the Landlord shall have the right and privilege, at Landlord's option, to pay the same, or any portion thereof, without inquiry as to the validity thereof, and any amounts so paid, including expenses and interest, shall be so much additional indebtedness hereunder due from Tenant to Lessor, and shall be repaid to Landlord immediately on rendition of bill therefore.

8. ACCESS TO PREMISES: At such reasonable times as will not interfere with Tenant's use of the demised premises, Tenant will allow Landlord free access to the demised premises for the purpose of examining or exhibiting the same, or to make any needful repairs, or alternations thereof which Landlord may see fit to make and will allow to have placed upon the demised premises, during the last three (3) months of the term hereof or any extension thereof, as the case may be, notice of "To Rent or To Sell", and will not interfere with the same.

9. ABANDONMENT AND RE-LETTING: If Tenant shall abandon or vacate the demised premises, the same may be re-let by Landlord for such rent, and upon such terms as Landlord may deem fit; and if a sufficient sum shall not thus be realized monthly, after paying the expenses of such re-letting and collecting, to satisfy the rent hereby reserved, Tenant agrees to satisfy and pay all deficiencies monthly during the remaining period of this Lease.

10. POSSESSION AT TERMINATION: Tenant will, at the termination of this Lease, or any extension thereof, by lapse of time or otherwise yield possession of the demised premises to the Landlord in good condition (reasonable wear and tear and damage by fire or other casualty excepted) and failing to do so, will pay as liquidated damages, for the whole time that such possession is withheld, the sum of \$200 per day; but the provisions of this clause shall not be held as a waiver by Landlord of any right of re-entry as hereinafter set forth; nor shall the receipt of said rent or any part thereof, or any other act in apparent affirmance of tenancy, operate as a waiver of the right to forfeit this Lease and the term hereby granted for the period still unexpired, for a breach of any of the covenants herein. Notwithstanding the foregoing provisions of this Paragraph 10, if, with the consent, express or implied, of the Landlord, Tenant shall remain in possession of the

demised premises after the termination of this Lease by lapse of time or otherwise, such possession shall not be considered as creating a hold-over tenancy, but shall be considered as a tenancy from month to month.

**11. PUBLIC LIABILITY AND PROPERTY DAMAGE:** Tenant shall procure from companies satisfactory to Landlord, and maintain during the term of this Lease, at its own cost and expense, a policy or policies of insurance insuring Landlord and Tenant, as their respective interests may appear against Public Liability and Property Damage occurring on Leased Premises or by reason of the use of operation thereof, which policy or policies of insurance shall:

1) insurance coverage against any and all liability whatsoever and howsoever occasioned by reason of injury to persons in the amount of \$1,000,000 per accident or occurrence, \$1,000,000 for multiple accidents or occurrences and property damage of \$500,000;

2) be amended from time to time to include Tenant's Work or Tenant's Alterations; said amendment or amendments to be in limits, form and content acceptable to Landlord;

3) contain provision for not less than ten (10) days prior written notice in the event of cancellation or material modification of the terms and conditions thereof; and Certificates of Insurance or duplicate original insurance policies together with receipts or other documents satisfactory to Landlord evidencing payment of premiums therefore shall be deposited with Landlord prior to Commencement Date, commencement of Tenant's Work or Tenant's Alterations, and not less than thirty (30) days prior to the expiration of the term of such coverage; PROVIDED, HOWEVER, that in the event Tenant shall maintain any insurance required hereunder pursuant to a blanket policy, Tenant shall have sufficiently complied with the terms hereof by furnishing to Landlord a Certificate or Certificates for the same.

**11a. LANDLORD'S INCREASED INSURANCE PREMIUMS:** In the event that Tenant shall use and occupy Leased Premises, with or without consent of Landlord, for any purpose which shall result in an increase in "Insurance Premiums", Tenant shall pay to Landlord, upon demand an amount equal to such increase ("Increased Insurance Premium"), which Increased Insurance Premium, together with interest due and owing thereon at the rate of twelve percent (12%) per annum (in the event that Tenant shall fail to pay the same to Landlord as herein provided), shall be deemed to be additional rent due and owing by Tenant to Landlord pursuant hereto.

**11b. CONTENTS INSURANCE:** Tenant shall, at its sole expense, provide Tenant's contents insurance.

**12. INDEMNIFICATION:** Tenant covenants and agrees that it will protect and save and keep Landlord forever harmless and indemnified against and from any penalty or damage or charges imposed for any violation of laws or ordinances whether occasioned by the neglect of Tenant or those holding under Tenant, and will protect, indemnify and save and keep harmless the Landlord against and from any and all claims and against and from

any and all loss, cost, damage or expense arising out of any failure of Tenant in any respect to comply with and perform all the requirements and provisions hereof.

12a. Without limitation of the provisions of Paragraph 12 of this Lease and subject to the provisions of Paragraph 26 hereof, Tenant will protect, indemnify and save Landlord harmless from and against any loss, cost, damage or expense, arising out of or from any accident or other occurrence on or about the demised premises occasioned by any negligent act or omission on the part of the Tenant or otherwise arising out of Tenant's use and occupation of the premises.

13. NON-LIABILITY: Landlord shall not be liable for any damage done or occasioned by or from plumbing, gas, water, sprinkler, steam or other pipes or sewerage or the bursting, leaking or running of any pipes, tank or plumbing fixtures in, above, upon or about said demised premises, or the building of which they are a part, nor for any damage occasioned by water, snow or ice being upon or coming through the roof, skylights, trap door or otherwise unless Tenant shall notify Landlord of any of the foregoing defects and Landlord shall fail to promptly remedy any such defect. Without limitation of the foregoing, Landlord shall not be liable for any damage arising from acts or neglect of any owners or occupants on adjacent or continuous property.

14. DANGEROUS SUBSTANCES: There shall not be allowed, kept or used on said demised premises any inflammable or explosive liquids or materials, save such as may be necessary for use in the business of the Tenant, and in such case, any such substances shall be delivered in amounts and stored and used in accordance with the rules of the applicable Board of Underwriters and statutes and ordinances now or hereafter in force.

15. HAZARDOUS MATERIAL: The Tenant hereby covenants and agrees that no portion of the demised premises shall be used for the storage or disposal of any toxic or hazardous waste, material or substances.

15a. Tenant shall comply with all applicable laws, statues, ordinances concerning toxic or hazardous waste, material or substance and any rules and regulations promulgated by the Metropolitan Sanitary District, Illinois and Federal Environmental Protection Agencies.

15b. The business being conducted by the Tenant at the demised premises does not require the use of any toxic or hazardous materials or substances and no toxic or hazardous waste is created as a by-product.

15c. Tenant shall indemnify and hold harmless the Landlord from any and all liability, cost and expense, including attorneys' fees, in connection with complying with any environmental laws, statutes and ordinances, or any regulation or rules of the Metropolitan Sanitary District or Illinois and federal Environmental Protection Agencies. The agreements contained herein are a material inducement for the Landlord to Lease the demised premises to the Tenant and shall survive the termination of this Lease, whether by lapse of time or otherwise.

16. **DEFAULT:** If the Tenant defaults in the payment of rent and payment shall not have been made within five (5) days after notice thereof in writing to Tenant, or if Tenant defaults in the prompt and full performance of its covenants herein contained and such default shall continue for fifteen (15) days after notice thereof in writing to Tenant, then and in any such event it shall be lawful for Landlord at Landlord's election to declare said term ended and to re-enter the demised premises or any part thereof, with process of law, and to remove Tenant, or any persons occupying the same, without prejudice to any remedies which might otherwise be used for arrears of rent.

a) Dragica Mitich shall personally guarantee payment of rent, utilities and all other terms and covenants as provided in this agreement.

b) The obligation of Tenant to pay the rent reserved hereby during the balance of the term hereof, or during any extension hereof, shall not be deemed to be waived or terminated by the service of any five-day notice, other notice to collect, demand for possession, or notice that the tenancy hereby created will be terminated on the date therein named.

17. **FIRE OR OTHER CASUALTY:** If the demised premises and/or the remainder of the building are made untenable by fire or other casualty, the Landlord may elect:

a) to terminate this Lease as of the date of the fire or casualty by notice to the Tenant within thirty (30) days after that date, or,

b) to repair, restore or rehabilitate the building and/or the demised premises at the Landlord's expense within one hundred twenty (120) days after the date of the fire or casualty in which latter event the Lease shall not terminate but rent shall be abated on a per diem basis while the demised premises are untenable. If the Landlord elects so to repair, restore or rehabilitate the building and the demised premises and does not complete the work within said one hundred twenty (120) day period, either party can terminate this Lease as of the date of the fire or casualty by notice given thereafter to the other party not later than one hundred fifty (150) days after the date of the fire or casualty. If only a portion of the demised premises or the building is made untenable by fire or other casualty, the Landlord shall complete the repair, restoration, or rehabilitation of said premises or the building, as the case may be, within sixty (60) days after the date of the fire or casualty and there shall be an equitable abatement of rent until such work is completed. In the event Landlord shall fail to complete such repair, restoration, or rehabilitation within said sixty (60) day period, Tenant may terminate this Lease as of the date of the fire or casualty by notice to Landlord given thereafter not later than ninety (90) days after the date of the fire or casualty. Landlord shall not be liable or responsible for any delays in rebuilding or repairing due to strikes, riots, acts of God, national emergency, acts of a public enemy, governmental laws or regulations, or any other causes beyond its control. In the event of the termination of the Lease pursuant to this Paragraph 18 rent shall be apportioned on a per diem basis and shall be paid only to the date of the fire or casualty.

18. CANCELLATION: The term of the Lease may be terminated at the sole option of the Landlord upon five (5) days notice in writing, notwithstanding anything to the contrary herein contained, and the demised premises hereby demised shall revert to the Landlord upon the happening of any of the following events:

- a) Assignment by Tenant for the benefit or creditors;
- b) The filing by or against Tenant of a Petition in Bankruptcy;
- c) The adjudication of Tenant as a bankrupt, either by voluntary or involuntary proceeding.

19. ASSIGNMENT OR SUBLETTING: The demised premises shall not be occupied in whole or in part by any person or persons other than the Tenant, and the Tenant shall not sublet the same, or any part thereof, nor assign this Lease without, in each case, the consent in writing of the Landlord first had and obtained, which consent shall in no event be unreasonably withheld.

20. SIGNS AND EXTERIOR ADDITIONS: Tenant will not mar or deface any part of the demised premises, or display or erect or maintain any signs, advertisements, notices, awnings, or other projections in any part of the outside or said premises without the prior written consent of the Landlord and the Village of Lombard.

21. SUBORDINATION: This Lease Agreement shall be deemed prior in interest to the lien of any First Mortgage or Trust Deed now or hereafter placed on said premises, whether or not the Lease is dated prior to or subsequent to the date of said Mortgage or Trust Deed, provided that if upon written request of the Landlord and the holder of any Note or Notes secured by a First Mortgage or Trust Deed placed on the Lease premises, the Tenant will subordinate its interest in the premises. Such subordination, however, shall impose no legal or financial obligations upon the Tenant and so long as the Tenant shall not be in default in the payment of rents or performance of its covenants and agreements, its occupancy of the demised premises shall not be disturbed. In no event shall the interest of the Tenant be subordinated to the lien of any Junior or Subordinate Lien of any future Mortgage or Trust Deed without the written consent of the legal owner and holder of the Note secured by the First Mortgage or Trust Deed.

a) ESTOPPEL CERTIFICATE: Tenant agrees that upon not less than fifteen (15) days prior notice from Landlord, Tenant will deliver to Landlord or to such other person as Landlord shall designate in such notice, a statement in writing in form satisfactory to Landlord certifying among other matters (a) that the lease is unmodified and in full force and effect (or, if there have been modifications, that this lease is in full force and effect as modified and identifying such modifications); (b) that Tenant is in possession of the Premises and is paying all rental payments required by this lease; (c) that no more than one month's rent (excluding Security Deposit, in any) has been paid in advance, except as Mortgagee may have otherwise approved; (d) that all work required to be performed by Landlord under this lease has been completed; (e) the Commencement date of this Lease;

and (f) that insofar as Tenant knows, Landlord is not in default under this lease (or, if Tenant has knowledge of any default, a statement of the nature thereof).

22. EMINENT DOMAIN: If during the term of this Lease or any extension thereof fifteen per cent (15%) or more of the demised premises shall be condemned by public authority having the power of eminent domain, then at the option of either party, this Agreement may be terminated as of the date when possession is required to be given under said condemnation, without liability on the part of either party to the other. Tenant does hereby waive any claim of any kind whatever to any award made by the condemning authority to Landlord for the taking of Landlord's property or the taking of Landlord's interest in this Lease but nothing herein shall preclude Tenant from proving its damages and receiving its award as to Leasehold improvements. In the event of a termination of the term hereof pursuant to this Paragraph 22, current rental shall be apportioned as of the date of such termination.

23. PARKING: One parking space provided in the rear of building. Two average length vehicles may be parked one directly behind the other in the one space.

24. EXTERIOR MAINTENANCE: The Tenant is responsible for exterior maintenance, lawn care and snow removal.

25. OPTION TO EXTEND: Tenant shall have the option to renew for (1) three year period with 90 day written notice upon the terms and conditions of this lease, except that the rent for the demised premises shall be as follows:

September 1, 2017 – August 31, 2018	\$1,800.00/month
September 1, 2018 – August 31, 2019	\$1,875.00/month
September 1, 2019 – August 31, 2020	\$1,950.00/month

26. LANDLORD'S TITLE: Landlord covenants and warrants that it is lawfully seized in fee of the demised premises and that, subject to the provisions of Paragraph 21 & 22 hereof, it will deliver possession of the premises free and clear of all rights of others. Landlord further covenants that, upon paying the rent provided for herein, and upon performing the covenants and agreements of this Lease to be performed by Tenant, Tenant will have, hold, and enjoy quiet and peaceful enjoyment and possession of said premises, and that Landlord shall warrant and defend Tenant in the peaceful and quiet enjoyment of said demised premises against the claims of all persons throughout the term of this Lease and any extension thereof, except claims of third parties claiming by, through or under this Lease, or arising through or by reason of acts or conduct of the Lease.

27. WAIVER OF SUBROGATION: Whenever (a) any loss, cost, damage or expense resulting from fire, explosion or any other casualty or occurrence is incurred by either of the parties to this Lease in connection with the Leased premises, and (b) such party is then covered in whole or in part by insurance with respect to such loss, cost, damage or expense, then the party so insured hereby releases the other party from any liability it

may have on account of such loss, cost, damage or expense to the extent of any amount recovered by reason of such insurance and waives any right of subrogation which might otherwise exist in or accrue to any person of account thereof, provided that such release of liability and waiver of the right of subrogation shall not be operative in any case where the effect thereof is to invalidate such insurance coverage or increase the cost thereof.

28. **AUTHORITY:** Each party hereto covenants that it has full right, power and authority to enter into this Lease upon the terms and conditions herein set forth.

29. Notices or other writings which either party is required to, or may wish to send to the other in connection with this Lease, shall be in writing and shall be delivered personally or sent by U.S. Registered or Certified Mail, return receipt requested, addressed as follows:

a) If to Landlord  
Edward O'Neill  
Wailea Holdings, LLC  
236 E. St. Charles Road  
Lombard, IL 60148

b) If to Tenant:  
Dragica Mitich  
Balkan Bakery & Cafe  
84 W. Nevada Ave.  
Glendale Heights, IL 60139

Or

Fritzshall & Pawlowski  
6584 N. Northwest Hwy.  
Chicago, IL 60631

or to such other address as either party may from time to time designate in a written notice to the other. A notice served by mail shall be deemed to be served on the date when such notice is deposited in the United States mails.

30. **LEGAL FEES:** Tenant shall pay all costs, expenses and reasonable attorney's fees that may be incurred by Landlord in enforcing the terms, covenants and obligations of the Lease on Tenant's part to be performed.

31. **ADDITIONAL BILLINGS:** Billings by Landlord for services or required repairs will be deemed as additional rents and are subject to the same rights and remedies as described herein for rents.

32. **RECEIPT OF RENT AFTER TERMINATION:** No receipt of money by the Landlord from the Tenant after the termination of this Lease or after the service of any



notice or after the commencement of any suit of after final judgment for possession of the Premises shall renew, reinstate, continue or extend the term of this Lease or affect any such notice, demand or suit.

**33. REPRESENTATION AND COMPENSATION OF TENANT**

**REPRESENTATIVES:** With regard to the Landlord and the Landlord's Exclusive Agent (Tom George, iDiscover Real Estate, LLC) paying commissions for existing Tenants renewing, extending or expanding their Lease, it is expressly understood, in all cases, that the Tenant's representative will be directly compensated for it's services by the Tenant. And further, both the Landlord and Landlord's Exclusive Agent reserves the right to require written confirmation from the Tenant, that the Tenant is responsible for such compensation prior to commencing any communications or discussions with the Tenant's Representative.

34. Where in this instrument neuter pronouns are used, or words indicating a singular number may appear, such words shall be considered as if personal pronouns, or words indicating the plural number had been used, where the context indicated the propriety of such use.

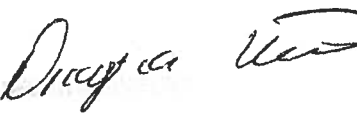
35. The liability of each party signing this lease shall be joint and several, the term "Tenant" as used herein referring to more than one party.

Wailea Holdings, LLC dated  
August 23, 2014


TENANT: Balkan Bakery & Cafe

By: 

Edward O'Neill, Partner

By: 

Dragica Mitich, Owner

By:   
Garrick Nielsen, Partner

## PERSONAL GUARANTEE

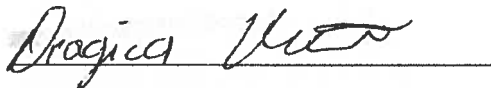
To induce Wailea Holdings, LLC ("Landlord") to enter into the foregoing Lease Agreement dated August 23, 2014 to Balkan Bakery & Cafe ("Tenant or Lessee") covering the premises commonly known as 14 W. St. Charles Road, Lombard, Illinois (the "Lease"), and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned ("Guarantors") hereby guarantee to Landlord and its successors and assigns the full, complete, prompt and punctual payment of the rent and other charges to be paid by Tenant and performance by Lessee, lessee's heirs, executors, administrators, successors or assigns of all covenants and agreements of the above Lease.

The undersigned waive notice of non-payment or non-performance by Tenant of any condition of said Lease. In the event of default by Tenant, the undersigned waives any right to require Landlord to proceed against Tenant or any security.

The Guaranty (a) shall apply to said Lease, (b) shall be binding upon and inure to the benefit of the heirs, administrators, personal representatives, successors and assigns of the parties hereto, and (c) shall not be changed, modified, discharged or terminated in any manner other than by an agreement in writing signed by Guarantor and Landlord.

IN WITNESS WHEREOF, the Guarantors have dully executed this Guaranty this 23rd day of August, 2014.

### **GUARANTORS:**



Dragica Mitich  
84 W. Nevada Ave.  
Glendale Heights, IL 60139  
(630)461-0882



**ILLINOIS ASSOCIATION OF REALTORS®  
 NOTICE OF NO AGENCY RELATIONSHIP  
 (FOR PROSPECTIVE TENANTS)\***



**This Notice of No Agency is being provided as required by Illinois State law.**

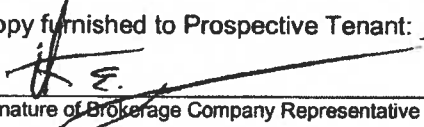
Name of "Sales/Leasing Agent" Tom George

Name of Brokerage (Property Management)  
 Company iDiscover Real Estate, LLC

Thank you for giving Sales/Leasing Agent the opportunity to show you one or more units for possible rental.

Sales/Leasing Agent's Brokerage Company has previously entered into an agreement with property owner (client) to provide certain property management and real estate brokerage services to the property owner. Sales/Leasing Agent will not be acting as your agent but as the agent of the property owner.

Date copy furnished to Prospective Tenant: August 15th, 2014

By:   
 Signature of Brokerage Company Representative

  
 Prospective Tenant's Signature (OPTIONAL)

\_\_\_\_\_  
 Prospective Tenant's Signature (OPTIONAL)

(NOTE: Give copy to Prospective Tenant and retain copy for Brokerage Company file.)

\* "Prospective Tenants" includes existing tenants or lessees and prospective lessees.

**usbank**

**CASHIER'S CHECK**

**No. 4278500261**

93-38  
929

DATE: AUGUST 27, 2014

PAY THREE THOUSAND DOLLARS AND 00 CENTS

\$ 3,000.00

TO THE

ORDER OF: WAILEA HOLDINGS, LLC

PURPOSE/REMITTER: DRAGICA MITIC

Location: 4278 Carol Stream

U.S. Bank National Association  
Minneapolis, MN 55480

SECURITY DEPOSIT - 14 W. 5TH RD.

*[Handwritten Signature]*  
AUTHORIZED SIGNATURE

⑆ 4 27850026 ⑆ ⑆ 092900383⑆ ⑆ 5008023508 ⑆ ⑆

**usbank**

**CASHIER'S CHECK**

**No. 4278500262**

93-38  
929

DATE: AUGUST 27, 2014

PAY ONE THOUSAND FIVE HUNDRED DOLLARS AND 00 CENTS

\$ 1,500.00

TO THE

ORDER OF: WAILEA HOLDINGS, LLC

PURPOSE/REMITTER: DRAGICA MITIC

Location: 4278 Carol Stream

U.S. Bank National Association  
Minneapolis, MN 55480

RENT PAYMENT - NOV 14, 14 W 5TH RD.

*[Handwritten Signature]*  
AUTHORIZED SIGNATURE

⑆ 4 27850026 ⑆ ⑆ 092900383⑆ ⑆ 5008023508 ⑆ ⑆

FIGURE 1.7

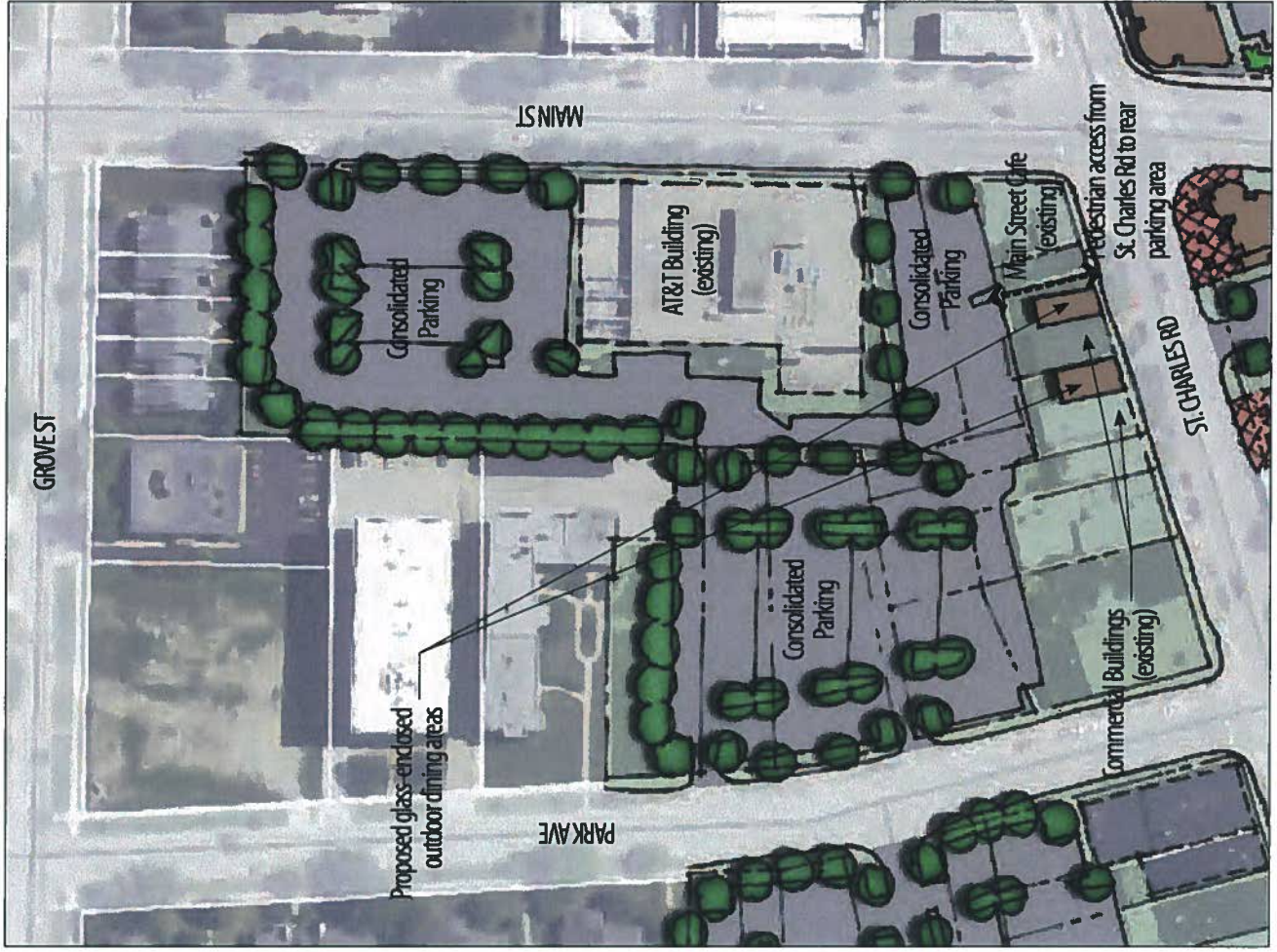
**Site 4: 10-14W. St. Charles Rd Site**

**» Description of Approach**

The concept for this site proposes retaining the buildings and the open space provided by the current vacant lots to accommodate garden cafés and the potential for a glass enclosed, all-season expansion to the adjacent buildings, which would allow for a year-round glass-enclosed "outdoor" dining experience. Existing buildings will benefit from improved facades and site enhancements. To enhance the pedestrian accessibility of the site, a sidewalk or pedestrian access path should be provided from St. Charles Road to the rear parking area.

**» Site Data**

Site Area	7,754 sqft (0.18 acres)
Parcels	2 parcels
Site Improvements	<ul style="list-style-type: none"> <li>Facade and site enhancements with garden cafés to support outdoor dining</li> <li>Vacant commercial building</li> <li>Law office</li> <li>Undeveloped open space on each parcel</li> </ul>
Existing Uses	<ul style="list-style-type: none"> <li>AT&amp;T Building (existing)</li> <li>Commercial Buildings (existing)</li> </ul>
Notes	Potential for a consolidated parking area serving Site 4 and adjacent businesses (refer to Figures 3.1 and 3.2 in Section 3 for details)





October 28, 2014

Jennifer Ganser  
Assistant Director of Community Development  
255 E Wilson Ave.  
Lombard, IL 60148

Dear Ms. Ganser:

Thank you for forwarding the architectural plans for the proposed renovations to 14 W. St. Charles Rd. for review by the Lombard Town Centre (LTC) Design Committee. We understand that the future business to occupy the property will be a bakery and sandwich shop, which we feel will be a welcomed addition to our downtown.

While most of the proposed improvements are interior renovations outside the realm of streetscape aesthetics that LTC is most concerned, we are pleased to see that a deck for outdoor dining is proposed on the lot adjacent to the bakery. We feel this outdoor dining function will add a pleasant vibrancy to the streetscape and that it supports the goals of the Lombard Downtown Revitalization Guidebook and the Illinois Main Street Program. As such, we are in support of the proposed improvements to 14 W. St. Charles. Rd.

Should you have any questions, feel free to call me at the number below.

Sincerely,

A handwritten signature in black ink that reads "Thomas R. Runkle". The signature is written in a cursive style.

Tom Runkle  
Lombard Town Centre  
Design Committee Chair  
630-334-0560

# Balkan Bakery and Coffee

**BUSINESS PLAN FOR 2015-2018**  
**DRAGICA MITIC**

14W St. Charles Road  
Lombard Illinois

Phone (630)461-0882  
Dragica17@aol.com

**Balkan Bakery and  
Cafe**

## **PROPOSAL AND BUSINESS PLAN**

I am very pleased to be able to present to you my business plan for Balkan Bakery and Café. In this plan you will find useful information on how I will run my business; as well as three years of expenses and profit projections. I look forward to working with you soon to make my bakery a success.

Thank you for your time and attention

Dragica Mitic



This business plan is for Balkan Bakery and Coffee Inc. Located at 14 W St. Charles Road in Lombard. Owner of operation will be myself, Dragica Mitic. The bakery is 1,650 square feet in size, ideally located within one block of the train station and will be open 6 days a week from 6 a.m. to 6 p.m.

### Executive Summary

Balkan Bakery and Coffee is set up to succeed from the start. As the owner, having 20 years' experience in the bakery business, I have a clear vision on what customers enjoy and appreciate. Not only with the customers baked goods, but customer service as well. I was a bakery manager for 10 years in a large corporation and learned the tools to be a strong leader and hard worker. I am confident in running my own business and managing my employees. Having been bakery manager, I know the business well. I know the importance of hard work, great quality, managing employees and staying organized. I believe in strong customer service. Taking care of customers is the number one essential in making this bakery prosper. Not only will great service draw customers in, but also the exclusive European desserts and coffee that is rare to find.

### Previous Employment

- Dominick's: 8-25-2000 Until 12-28-2014
  - Became a Bakery Manager
  - Gained managing skills to manage people and business
  - Learned bakery business operations to include:
    - Proper customer service
    - Scheduling of employees and staff
    - Staffing needs and roles
    - Supply and demand of product
    - Ordering and keeping record of popular product
    - Inventory of supplies and stock
    - Product rotation
    - Temperature logs (freezer, cooler, and baking)
    - Cleaning and sanitation
    - Quality product testing

Working at Dominick's, Venuti's Banquet Hall, and Jewel previous to that gave me the training and tools to run a successful business. The projected ROI in 5 years is 218%.

### Bakery Description

Besides a full line of European pastries and custom cakes, the Balkan Bakery and Coffee will offer hot and cold sandwiches, coffee, smoothies and specialty drinks.

Balkan Bakery will be a year round business. It will have growing opportunity. As the owner, I will meet and work hard to establish an on-going relationship with each new customer that will be brought in by advertising and word of mouth from previous customers happy with their experience at Balkan. The uniqueness of the European style food and desserts will also draw people in with curiosity. These delicious desserts are mostly made from scratch and will be unique to the Lombard community.

### Marketing

Balkan Bakery's targeted customers will include anyone who likes to enjoy delicious food and desserts made from scratch. Balkan will be open to service early workers that will have to use the train to commute to and from the Lombard area. Customers will also include those having a special occasion coming up such as weddings, bridal/baby showers, birthdays, family parties, work outings, etc.

There is no European, made from scratch bakeries within a 5-mile radius. Balkan Bakery will differentiate its self from Marianos and Jewel by having a homemade taste; nearly everything will be made from scratch. This will give the bakery a competitive advantage. Prices will be based off of competitors as well as to accommodate my own finances. The prices will be more expensive than the leading super market. Profit off of a product made from scratch is >100%. Product vendor bought goal profit is 50%.

Advertisement is key to letting the community know about Balkan Bakery. I plan to use newspaper ads in Lombard as well as the nearby towns. Facebook, coupons, and flyers are other ways I will use advertisement. Making up business cards and will leave them at places that will allow it (train station, bridal shops, tanning hair salons). I will also advertise on the Serbian Radio station (1080am which starts at 3pm) as well as respond to customers on Yelp. I will build a strong customer base made up of repeatable business and word of mouth referral business. During the grand opening, Balkan Bakery will conduct promotional advertising as well as during the slower traffic months of January and February. These will include Little League specials, family specials, also buy one get one free specials, e.g.: coffee, doughnut, pastry. Balkan Bakery will also offer to Girl Scouts to provide a fun field trip. During the grand opening there will be free samples being given out to pedestrians.

### Design and Development

I have hired an architect to carefully design and layout the bakery's look I have envisioned. He has drafted blueprints including all the equipment. I have met with a contractor as well to do some remodeling. My finishing touches will come after the remodeling (painting/decorating). Also I will hire a contractor to set up and install my equipment. These tasks are reasonable and doable.

The Location of Balkan Bakery and Coffee will be at 14w St. Charles Road Lombard, IL. It is a great location across the street of a busy railroad station. There are also car shows that go on near this location every weekend.

I am still in the process of getting my permits and license. The equipment I will install in the bakery will be an oven, prep table, proof box, cooler, and freezer. I will receive my ingredients from Restaurant Depot and Greco. I will get the ingredients by delivery. My family will be my source of labor for the beginning months.

### Organization

Balkan Bakery will be a family run business. We will be managing the business. I will have 3 full time employees starting off in my first year. I intend for my staff and I to be organized by creating an operations manual that outlines policies and procedures to keep track of orders, profit, shrink, temperatures logs, bathroom logs, chore sheets to ensure cleanliness, and sheets to keep track of product rotation (first in first out).

Employees will start at minimum wage and eventually I will need to employ a skilled cake decorator to accommodate the larger pastry orders. Balkan Bakery will be incorporated because of personal asset protection and enhanced credibility. I will also have insurance.

### Milestone Schedule

For the bakery project I will need to secure additional permits: a building permit, a village permit, and health department's permit. The business license is already secured.

The projection for Balkan Bakery's grand opening is to be beginning of January.

There is added value in the months of October-December because of the busy holiday season. Lower estimates for January and February because these generally are the slower months.

This business plan includes implementation activities that are projected to generate \$160,000 sales in year 1, and will grow 20% annually through 2017. We anticipate the startup costs to be 94,000, with break-even to occur in month 6 using the marketing and social media activities outlined in this plan.

- Cost to open business is \$93,980 in remodeling (inside and outside)
- Average customer spend \$20
- Used equipment
- Hours of operation 12 hours/day 6 days/ week
- Rent \$1,500 for 1,650 sq. feet

To cover fixed costs

Average spend	# customers daily	# customers monthly
\$25	13	338
\$20	16	422
\$15	21	563

### Target Market

Downtown Lombard is an ideal location for the Balkan Bakery and Coffee. The area has a population of more than 40,000; with 15,000 households and 55% of the residents have an income of \$75,000 and above. (Business Decision Census Data 2014)

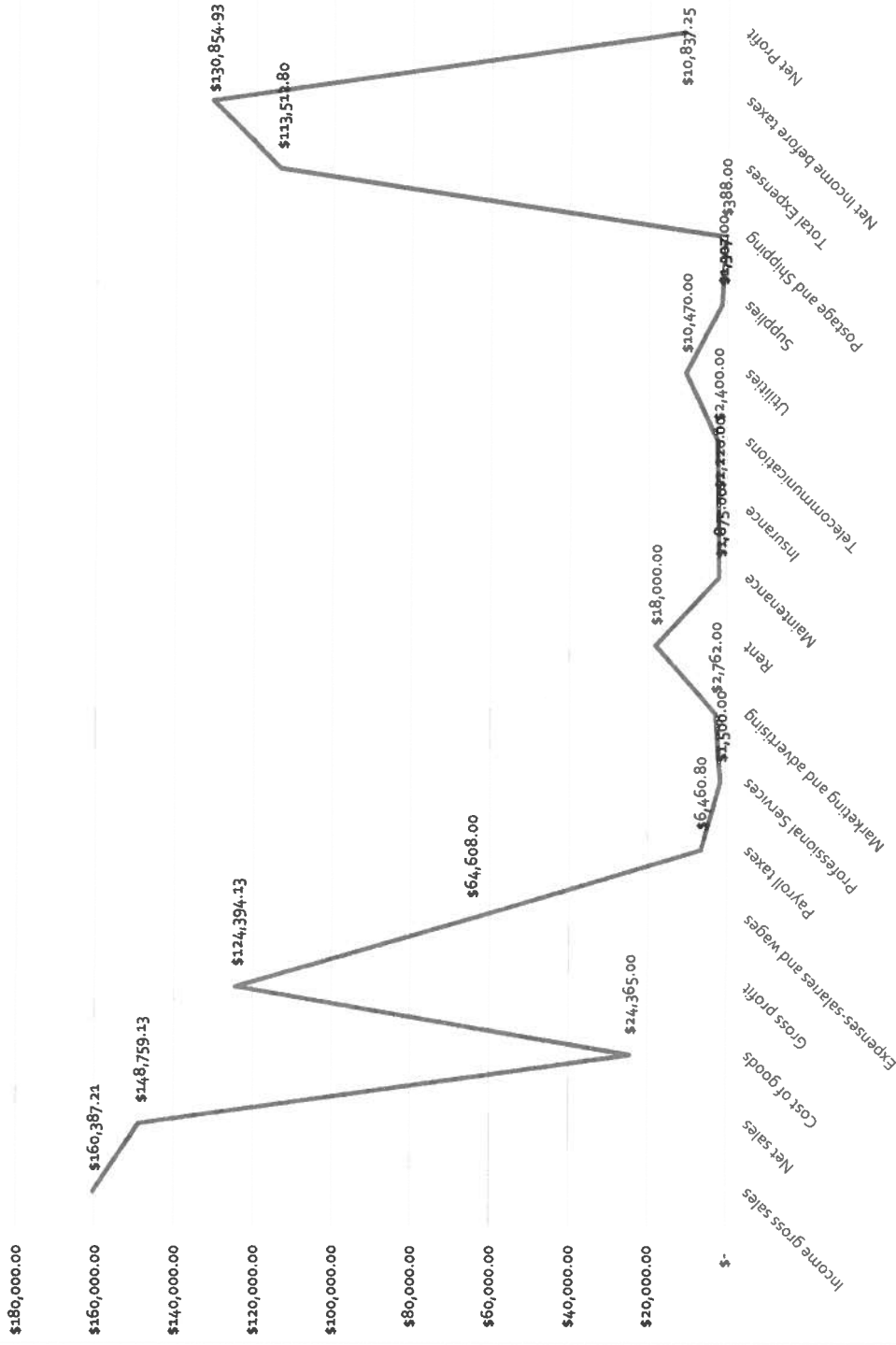
The Bureau of Labor 2014 shows a spending index of 155 for bakery items (100 is baseline), with tapestry segmentation data that profiles 40% of the residents within a 3-mile radius of the location profiled as either Savvy Suburbanites or Professional Prides. This is another reason that I know this bakery will go above and beyond expectations.

2015	January	February	March	April	May	June	July	August	September	October	November	December
Income Gross sales	\$ 11,257.00	\$ 11,538.43	\$ 11,826.89	\$ 12,122.56	\$ 12,486.24	\$ 12,885.80	\$ 13,336.80	\$ 13,816.92	\$ 14,355.78	\$ 14,930.01	\$ 15,527.21	\$ 16,303.57
Net Sales	\$ 10,440.87	\$ 10,701.89	\$ 10,969.44	\$ 11,243.67	\$ 11,580.99	\$ 11,951.58	\$ 12,369.88	\$ 12,815.19	\$ 13,314.99	\$ 13,847.58	\$ 14,401.49	\$ 15,121.56
Cost of Goods	\$ 1,600.00	\$ 1,685.00	\$ 1,715.00	\$ 1,775.00	\$ 1,840.00	\$ 1,950.00	\$ 2,000.00	\$ 2,100.00	\$ 2,125.00	\$ 2,400.00	\$ 2,475.00	\$ 2,700.00
Gross Profit	\$ 8,840.87	\$ 9,016.89	\$ 9,254.44	\$ 9,468.67	\$ 9,740.99	\$ 10,001.58	\$ 10,369.88	\$ 10,715.19	\$ 11,189.99	\$ 11,447.58	\$ 11,926.49	\$ 12,421.56
Expenses- Salaries and wages	\$ 5,384.00	\$ 5,384.00	\$ 5,384.00	\$ 5,384.00	\$ 5,384.00	\$ 5,384.00	\$ 5,384.00	\$ 5,384.00	\$ 5,384.00	\$ 5,384.00	\$ 5,384.00	\$ 5,384.00
Payroll taxes	\$ 538.40	\$ 538.40	\$ 538.40	\$ 538.40	\$ 538.40	\$ 538.40	\$ 538.40	\$ 538.40	\$ 538.40	\$ 538.40	\$ 538.40	\$ 538.40
Professional services	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00
Marketing and advertising	\$ 200.00	\$ 200.00	\$ 215.00	\$ 220.00	\$ 250.00	\$ 240.00	\$ 300.00	\$ 260.00	\$ 210.00	\$ 215.00	\$ 222.00	\$ 230.00
Rent	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00
Maintenance	\$ 150.00	\$ 100.00	\$ 125.00	\$ 200.00	\$ 150.00	\$ 100.00	\$ 250.00	\$ 125.00	\$ 150.00	\$ 175.00	\$ 200.00	\$ 150.00
Insurance	\$ 185.00	\$ 185.00	\$ 185.00	\$ 185.00	\$ 185.00	\$ 185.00	\$ 185.00	\$ 185.00	\$ 185.00	\$ 185.00	\$ 185.00	\$ 185.00
Telecommunications	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00
Utilities	\$ 800.00	\$ 830.00	\$ 840.00	\$ 810.00	\$ 750.00	\$ 900.00	\$ 920.00	\$ 940.00	\$ 960.00	\$ 920.00	\$ 910.00	\$ 890.00
Supplies	\$ 100.00	\$ 85.00	\$ 88.00	\$ 110.00	\$ 104.00	\$ 115.00	\$ 118.00	\$ 108.00	\$ 102.00	\$ 116.00	\$ 126.00	\$ 135.00
Postage and shipping	\$ 30.00	\$ 30.00	\$ 32.00	\$ 34.00	\$ 30.00	\$ 35.00	\$ 32.00	\$ 36.00	\$ 34.00	\$ 32.00	\$ 33.00	\$ 30.00
Total Expenses	\$ 9,212.40	\$ 9,177.40	\$ 9,232.40	\$ 9,306.40	\$ 9,216.40	\$ 9,322.40	\$ 9,552.40	\$ 9,683.40	\$ 9,670.40	\$ 9,672.40	\$ 9,705.40	\$ 9,761.40
Net income before taxes	\$ 9,379.27	\$ 9,555.29	\$ 9,792.84	\$ 10,007.07	\$ 10,279.39	\$ 10,539.98	\$ 10,908.28	\$ 11,253.59	\$ 11,728.39	\$ 11,985.98	\$ 12,464.89	\$ 12,959.96
Net Profit	\$ (371.53)	\$ (160.51)	\$ (22.04)	\$ 162.27	\$ 524.59	\$ 679.18	\$ 817.48	\$ 1,031.79	\$ 1,519.59	\$ 1,775.18	\$ 2,221.09	\$ 2,660.16

# Income Statement 2015

Totals for 2015	Column 1
Income gross sales	\$ 160,387.21
Net sales	\$ 148,759.13
Cost of goods	\$ 24,365.00
Gross profit	\$ 124,394.13
Expenses-salaries and wages	\$ 64,608.00
Payroll taxes	\$ 6,460.80
Professional Service: Marketing and advertising	\$ 1,500.00
advertising	\$ 2,762.00
Rent	\$ 18,000.00
Maintenance	\$ 1,875.00
Insurance	\$ 2,220.00
Telecommunications:	\$ 2,400.00
Utilities	\$ 10,470.00
Supplies	\$ 1,307.00
Postage and Shippin	\$ 388.00
Total Expenses	\$ 113,512.80
Net Income before taxes	\$ 130,854.93
Net Profit	\$ 10,837.25

## Total For 2015



2016	January	February	March	April	May	June	July	August	September	October	November	December
Income Gross sales	\$15,997.36	\$15,681.40	\$16,091.40	\$17,095.97	\$17,694.32	\$18,331.31	\$18,697.94	\$19,632.84	\$20,810.81	\$21,643.24	\$22,725.40	\$23,861.67
Net Sales	\$14,837.55	\$14,544.52	\$14,924.77	\$15,856.57	\$16,411.48	\$17,002.29	\$17,342.34	\$18,209.46	\$19,302.03	\$20,074.11	\$21,077.81	\$22,131.70
Cost of Goods	\$2,525.00	\$2,580.00	\$2,650.00	\$2,765.00	\$2,810.00	\$2,925.00	\$2,960.00	\$3,075.00	\$3,210.00	\$3,340.00	\$3,475.00	\$3,520.00
Gross Profit	\$12,312.55	\$11,964.50	\$12,274.77	\$13,091.57	\$13,601.48	\$14,077.29	\$14,382.34	\$15,134.46	\$16,092.03	\$16,734.11	\$17,602.81	\$18,611.70
Expenses- Salaries and wages	\$5,384.00	\$5,384.00	\$5,384.00	\$5,384.00	\$5,384.00	\$5,384.00	\$5,384.00	\$5,384.00	\$5,384.00	\$5,384.00	\$5,384.00	\$5,384.00
Payroll taxes	\$538.40	\$538.40	\$538.40	\$538.40	\$538.40	\$538.40	\$538.40	\$538.40	\$538.40	\$538.40	\$538.40	\$538.40
Professional services	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00	\$125.00
Marketing and advertising	\$230.00	\$232.00	\$232.00	\$235.00	\$235.00	\$235.00	\$237.00	\$237.00	\$240.00	\$240.00	\$245.00	\$250.00
Rent	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00	\$1,500.00
Maintenance	\$150.00	\$100.00	\$125.00	\$200.00	\$150.00	\$100.00	\$250.00	\$125.00	\$150.00	\$175.00	\$200.00	\$150.00
Insurance	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00
Telecommunications	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00	\$200.00
Utilities	\$830.00	\$837.00	\$840.00	\$810.00	\$815.00	\$823.00	\$825.00	\$827.00	\$821.00	\$820.00	\$840.00	\$833.00
Supplies	\$82.00	\$85.00	\$100.00	\$105.00	\$105.00	\$84.00	\$82.00	\$80.00	\$87.00	\$88.00	\$81.00	\$80.00
Postage and shipping	\$30.00	\$32.00	\$36.00	\$34.00	\$31.00	\$35.00	\$34.00	\$33.00	\$36.00	\$38.00	\$34.00	\$30.00
Total Expenses	\$9,344.40	\$9,358.40	\$9,430.40	\$9,306.40	\$9,308.40	\$9,349.40	\$9,300.40	\$9,399.40	\$9,356.40	\$9,358.40	\$9,322.40	\$9,415.40
Net income before taxes	\$12,850.95	\$12,502.92	\$12,813.17	\$13,629.97	\$14,139.88	\$14,615.69	\$14,920.74	\$15,672.86	\$16,630.43	\$17,272.51	\$18,141.21	\$19,150.10
Net Profit	\$2,968.15	\$2,606.10	\$2,844.37	\$3,785.17	\$4,293.08	\$4,727.89	\$5,081.94	\$5,735.06	\$6,735.63	\$7,375.71	\$8,280.41	\$9,196.30



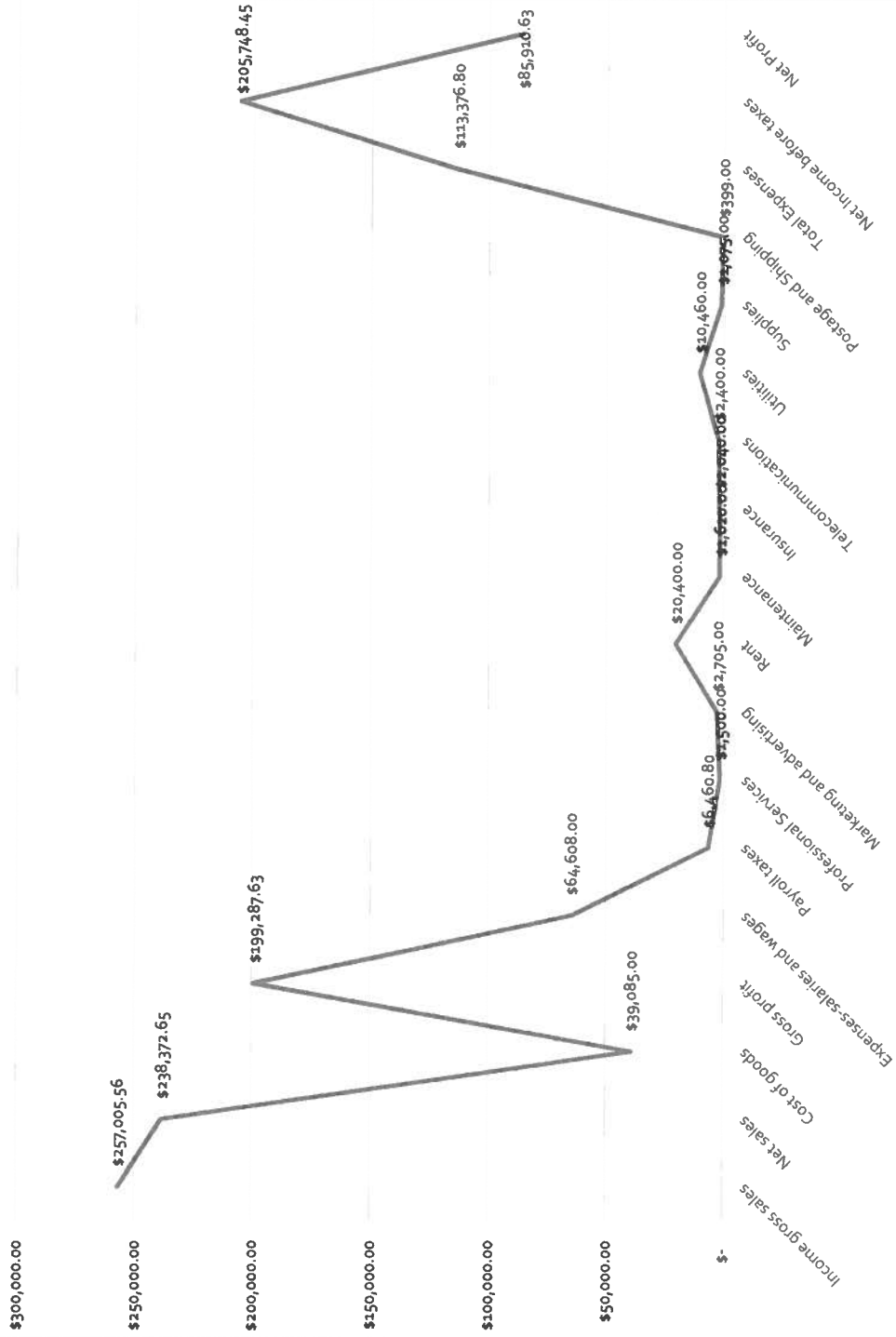


2017	January	February	March	April	May	June	July	August	September	October	November	December
<b>Income Gross sales</b>	\$ 21,475.50	\$ 20,401.73	\$ 19,891.69	\$ 20,488.44	\$ 19,668.90	\$ 21,144.07	\$ 21,321.52	\$ 21,936.45	\$ 20,891.76	\$ 23,232.40	\$ 22,122.20	\$ 24,430.90
<b>Net Sales</b>	\$ 19,918.53	\$ 18,922.60	\$ 18,449.54	\$ 19,003.03	\$ 18,242.90	\$ 19,611.12	\$ 19,775.71	\$ 20,346.06	\$ 19,377.11	\$ 21,548.05	\$ 20,518.34	\$ 22,659.66
<b>Cost of Goods</b>	\$ 3,310.00	\$ 3,150.00	\$ 3,000.00	\$ 3,160.00	\$ 2,925.00	\$ 3,250.00	\$ 3,280.00	\$ 3,310.00	\$ 3,150.00	\$ 3,500.00	\$ 3,350.00	\$ 3,700.00
<b>Gross Profit</b>	\$ 16,608.53	\$ 15,772.60	\$ 15,449.52	\$ 15,843.03	\$ 15,317.90	\$ 16,361.12	\$ 16,495.71	\$ 17,036.06	\$ 16,227.11	\$ 18,048.05	\$ 17,168.34	\$ 18,959.66
<b>Expenses- Salaries and wages</b>	\$ 5,384.00	\$ 5,384.00	\$ 5,384.00	\$ 5,384.00	\$ 5,384.00	\$ 5,384.00	\$ 5,384.00	\$ 5,384.00	\$ 5,384.00	\$ 5,384.00	\$ 5,384.00	\$ 5,384.00
<b>Payroll taxes</b>	\$ 538.40	\$ 538.40	\$ 538.40	\$ 538.40	\$ 538.40	\$ 538.40	\$ 538.40	\$ 538.40	\$ 538.40	\$ 538.40	\$ 538.40	\$ 538.40
<b>Professional services</b>	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00	\$ 125.00
<b>Marketing and advertising</b>	\$ 210.00	\$ 225.00	\$ 230.00	\$ 230.00	\$ 235.00	\$ 240.00	\$ 220.00	\$ 210.00	\$ 225.00	\$ 230.00	\$ 200.00	\$ 250.00
<b>Rent</b>	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00	\$ 1,700.00
<b>Maintenance</b>	\$ 100.00	\$ 100.00	\$ 100.00	\$ 125.00	\$ 150.00	\$ 170.00	\$ 150.00	\$ 150.00	\$ 100.00	\$ 125.00	\$ 150.00	\$ 200.00
<b>Insurance</b>	\$ 170.00	\$ 170.00	\$ 170.00	\$ 170.00	\$ 170.00	\$ 170.00	\$ 170.00	\$ 170.00	\$ 170.00	\$ 170.00	\$ 170.00	\$ 170.00
<b>Telecommunications</b>	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00
<b>Utilities</b>	\$ 840.00	\$ 850.00	\$ 830.00	\$ 845.00	\$ 850.00	\$ 875.00	\$ 890.00	\$ 900.00	\$ 925.00	\$ 880.00	\$ 875.00	\$ 900.00
<b>Supplies</b>	\$ 75.00	\$ 78.00	\$ 70.00	\$ 80.00	\$ 85.00	\$ 82.00	\$ 90.00	\$ 100.00	\$ 110.00	\$ 75.00	\$ 80.00	\$ 150.00
<b>Postage and shipping</b>	\$ 30.00	\$ 32.00	\$ 35.00	\$ 34.00	\$ 32.00	\$ 30.00	\$ 35.00	\$ 37.00	\$ 32.00	\$ 30.00	\$ 34.00	\$ 38.00
<b>Total Expenses</b>	\$ 9,372.40	\$ 9,402.40	\$ 9,392.40	\$ 9,416.40	\$ 9,454.40	\$ 9,479.40	\$ 9,462.40	\$ 9,474.40	\$ 9,469.40	\$ 9,417.40	\$ 9,418.40	\$ 9,617.40
<b>Net income before taxes</b>	\$ 17,146.93	\$ 16,311.00	\$ 15,987.94	\$ 16,381.43	\$ 15,856.30	\$ 16,899.52	\$ 17,034.11	\$ 17,574.46	\$ 16,765.51	\$ 18,586.45	\$ 17,706.74	\$ 19,498.06
<b>Net Profit</b>	\$ 7,236.13	\$ 6,370.20	\$ 6,056.92	\$ 6,426.63	\$ 5,863.50	\$ 6,881.72	\$ 7,033.31	\$ 7,561.66	\$ 6,757.71	\$ 8,630.65	\$ 7,749.94	\$ 9,342.26

# Income Statement 2017

Totals for 2017	Column 1
Income gross sales	\$ 257,005.56
Net sales	\$ 238,372.65
Cost of goods	\$ 39,085.00
Gross profit	\$ 199,287.65
Expenses-salaries and wages	\$ 64,608.00
Payroll taxes	\$ 6,460.80
Professional Service: Marketing and advertising	\$ 1,500.00
advertising	\$ 2,705.00
Rent	\$ 20,400.00
Maintenance	\$ 1,620.00
Insurance	\$ 2,040.00
Telecommunications: Utilities	\$ 2,400.00
Supplies	\$ 1,075.00
Postage and Shipping	\$ 399.00
Total Expenses	\$ 113,376.80
Net Income before taxes	\$ 205,748.45
Net Profit	\$ 85,910.63

## Total For 2015





**Rico Construction**  
**330 Stone Road**  
**Villa Park, IL 60181**  
**630-330-0366-Cell**  
**stone222@comcast.net**

Balkan Bakery & Café Inc.  
14 W St. Charles Rd  
Lombard, IL 60148

**Scope of Work - *Build Out of Bakery & Sandwich Shop***

**Interior Work**

- All necessary demolition work as provided in plan with debris removal
- Demolition of current bathroom
- Build two (2) new bathrooms per plan ADA Compliant
- Bathrooms to include toilet, lavatory, mirror and grab bars all ADA Compliant
- Installation of two (2) hand sinks in prep area
- Installation of a three (3) compartment sink, 2 hand sinks in prep area
- Installation of new electrical for equipment as per plan
- All construction materials
- Installation of new quarry tile for the 6ft. X 6ft backroom floor
- Installation of FRP wall paneling to entire kitchen and prep area
- Installation of hood & oven (purchased by client)
- Primer & paint to be provided by contractor
- Installation of all equipment & hood (purchased by client)
- Dumpster(s)
- Electrical conversion to three phase
- Architect fees

**Total for Interior Work**

**\$41,273.00**

Contractor will not be responsible for the refrigeration or installation of the walk in cooler. Customer will provide any equipment for their business.

**Exterior Work**

- Installation of new deck to be treated lumber as per plan approximately 25 ft. X 30ft.
- Installation of new canopy sign in front of store
- Cut opening in wall to prepare for 6 ft sliding door in entrance
- Installation of sliding door

**Total for Exterior Work**

**\$52,707.00**

**Total Price for Labor & Materials** **\$93,980.00**  
**Ninety Three Thousand Nine Hundred Eighty Dollars.....00/100**

**Payment Schedule:**

Deposit Due upon Contract Signage	\$31,327.00
Rough in of Plumbing & Electric	\$31,327.00
Completion of Job	\$31,326.00

**All construction will be completed according to the approved blueprint in a neat and timely fashion. Approximate build time is sixty (60) days.**

**Change Order**

Owner may desire a mid-job change in the specifications that would add time and cost to the specified work. Such change will require a written order.

Contractor's original costs are based on architectural drawings. Contractor is not liable for any unforeseen events, prior work performed unsatisfactory or to factors unknown when the contract was made. Rico Construction is also not responsible for any changes made by the Village of Lombard after submittal of blueprints. Any additional work that is required by the Village of Lombard will be at customer's expense.

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**Acceptance of Proposal**

SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_



48\"h

BALKAN BAKERY

36\"w

96\"w

GRANTS  
615-853-9153

Total Text Width = 195.75"w

Upper Case = 19.8"h

Lower Case = 16"h

**BALKAN BAKERY**

48"h

216"w



# MJK Remodeling

Specializing in New Construction/Room Additions Custom Kitchens/Baths

DATE OF PROPOSAL: September 2, 2014

PROPOSAL SUBMITTED TO: Balkan Bakery and Cafe

ADDRESS: 14 W St. Charles Rd. Lombard Illinois

## **Scope Of Work : Interior Build out**

- Demo to be done as per plan includes dumpsters to haul away debris
- Demo of existing bathroom
- Build 2 new bathrooms as per plan ADA Compliant
- Bathrooms to include toilet, lavatory, mirror, and grab bars all ADA Compliant
- Install new 3 compartment sink, 2 hand sinks in prep area
- Install new electrical for equipment as per plan
- Install new 6"x6" Quarry Tile on entire kitchen area
- Install FRP wall paneling to entire kitchen and prep area
- Prime and paint entire store
- Installation of all equipment and Hood (Purchased by owner)

**Total \$40,360.00**

\*Note: Any walk in coolers or freezers to be installed by others

## **Exterior**

- Installation of new canopy sign in front of store with lighting
- Cut opening in wall and finish to accommodate new 6ft sliding door
- Install new 6ft sliding door
- Installation of new deck all to be treated lumber as per plan approximately 30' x 25'

**Total \$48,100.00**

All materials included in quote unless otherwise stated

All work to be done per plan and per village requirements

## **Added Requirements**

- Upgrade existing service to run all machines and cooking equipment
- Charge for blueprints to be made with any additional changes

**Total \$7,800.00**





# MJK Remodeling

Specializing in New Construction/Room Additions Custom Kitchens/Baths

DATE OF PROPOSAL: September 2, 2014  
PROPOSAL SUBMITTED TO: Balkan Bakery and Cafe  
ADDRESS: 14 W St. Charles Rd. Lombard Illinois

All material is guaranteed to be as specified, and the work listed on page 1 will be performed in accordance with the drawings and/or specifications submitted for the work listed and completed in a substantial workmanlike manner for the sum of **Ninety six thousand two hundred sixty dollars \$96,260.00**

Payments will be made as follows:

- Down Payment \$38,260.00
- Middle Payment \$30,000.00
- Completion of Interior Work \$15,000.00
- Upon Completion \$13,000.00

Respectfully submitted  
Per MJK Remodeling

\*Note: This proposal may be withdrawn by us if not accepted within 30 days

Any alterations or deviation from above specifications involving extra costs will be executed only upon written order, and will become an extra charge over and above the estimate.

### ACCEPTANCE OF PROPOSAL

The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payments will be made as outlined above.

SIGNATURE \_\_\_\_\_ DATE

SIGNATURE \_\_\_\_\_ DATE



# **ALL IN ONE REMODELING**

**Licensed, Bonded & Insured**

2415 N Pulaski 2<sup>nd</sup> Floor Chicago Illinois

**Date of Contract: September 2, 2014**

**Contract Submitted to: Balkan Bakery**

**Address: 14 W St. Charles Rd. Lombard Illinois**

## **Exterior Work**

- Install new treated deck on the exterior of building as per blue print
- Install a new canopy sign on front of the store with lighting underneath
- Saw cut and install 6ft new sliding door

**Total \$54,300.00**

## **Interior Work**

- Provide dumpsters for any debris upon demo of interior
- Demolition to include anything per blueprints
- Plumbing work to be done per blueprint
- Includes all hand sinks, 3 compartment sinks, ADA Compliant bathroom fixtures
- Remove existing bathroom and install 2 new handicap accessible bathrooms as per blueprint
- Install new tile in kitchen and prep area
- Install new wall paneling with cleanable surface in kitchen and prep area
- Install all equipment and exhaust hood (Purchased by others)
- Prep, prime, and paint entire store

**Total \$43,300.00**

## **Additional Items**

- Architectural drawings that were not included in original proposal
- Upgrade existing electrical service to accommodate bakery equipment

**Total \$8,000.00**



# ALL IN ONE REMODELING

Licensed, Bonded & Insured

2415 N Pulaski 2<sup>nd</sup> Floor Chicago Illinois

**Date of Contract: September 2, 2014**

**Contract Submitted to: Balkan Bakery**

**Address: 14 W St. Charles Rd. Lombard Illinois**

Total for work to be completed: **One hundred five thousand six hundred dollars**  
**\$105,600.00.....**

Payments will be made as follows:

Down Payment **\$45,600.00**

Middle Payment **\$40,000.00**

Upon Completion **\$20,000.00**

Respectfully submitted Per All in One Remodeling

\*Note: This proposal may be withdrawn by us if not accepted within 60 days

### ACCEPTANCE OF CONTRACT

Scope of work and prices are hereby correct/ All in One Remodeling is approved to do all work as per blueprint and to the satisfaction of the following clients

SIGNATURE \_\_\_\_\_ DATE

SIGNATURE \_\_\_\_\_ DATE