

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

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

TO: PRESIDENT AND BOARD OF TRUSTEES
FROM: David A. Hulseberg, Village Manager
DATE: April 12, 2011 (B of T) Date: April 21, 2011
TITLE: Downtown Retail Business Grant – 14 W. St. Charles Road (Cabinet Depot)
SUBMITTED BY: The Department of Community Development *MH*

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 \$11,737.50 (DISTRICT #1)

The Economic and Community Development Committee recommended approval of this request.

Please place this item on the April 21, 2011 Board of Trustees agenda.

Fiscal Impact/Funding Source:

Review (as necessary):

Village Attorney X _____ Date _____

Finance Director X _____ Date _____

Village Manager X *David A. Hulseberg* _____ Date 4/14/11

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: April 21, 2011

SUBJECT: Downtown Retail Business Grant; 14 W. St. Charles Road

BACKGROUND

Staff has recently received a request for a Downtown Retail Business Grant (DRBG) for a home improvement store to be known as Cabinet Depot located 14 W. St. Charles Road. The submitted plans are for renovation of the tenant space with a total estimated cost of \$23,475. The applicant is eligible to receive up to \$11,737.50 from the Downtown Retail Business Grant program.

It is important to note that the work associated with the eligible improvements, excluding signage, has already been completed. The applicant did submit the application prior to the issuance of the building permit. Furthermore, a complete application had been received prior to the issuance of the Certificate of Occupancy/Zoning Certificate. The applicant and property owner were informed that they are proceeding at their own risk as the grant request needed to go through the required process. It should also be noted that this grant request is being reviewed in accordance with the old requirements since the application was made prior to the effective date of the new program.

The ECDC recommended approval of the application at its meeting of April 6, 2011.

Subsequent to the ECDC meeting, the Village received the attached correspondence from a downtown business/property owner concerning the proposed DRBG for Cabinet Depot. Staff offers the following response:

1. Retail vs. Wholesaler - In the letter received by the Village, a concern was raised about the business being a wholesaler and not a retail establishment. Staff has determined that the proposed business is considered a "Home Improvement Store" and is a permitted use within the B5 Zoning District. While the business owner did indicate that they do business directly with contractors that may not be charged a sales tax, staff views this operation no different from other big box home improvement stores, such as Home Depot, Menards and Lowes or store front cabinet dealers such as KDA. Like those businesses, Cabinet Depot will be open to the public and would be responsible for sales tax. Contractors can also purchase items, such as cabinets, at the big box home improvement stores and if those contractors provided their tax number, they would also not pay sales tax. Sales tax would still have to be calculated and collected by the contractor. Staff confirmed with the business owner that the majority of their business is with contractors, and most of them do

pay sales tax directly to Cabinet Depot (to the benefit of Lombard), unless they have a separate tax number. It should be noted that if the cabinets were purchased by a contractor who did not directly pay sales tax to Cabinet Depot, but that contractor's business is located in Lombard or the work was done to a Lombard residence, the Village will still likely benefit from that sales tax. It just will not show when Cabinet Depot reports its taxes to the State of Illinois. This has been confirmed by both the Village's Finance Director and Legal Counsel.

2. Three-year lease - The letter to the Village expressed a concern about the business not having a 3-year lease. For clarity purposes, this grant request is under the old requirements; however, a 3-year lease is still required. When the original application was submitted to the Village, the business and property owner identified on that application that the lease would be for 22 months. Upon staff's review, we told them that the business needed a 3 year lease to be eligible. The business and property owners submitted a copy of the current lease meeting the 3 year requirement (March 1, 2011-February 28, 2014). The application provided in the ECDC packet was not corrected to reflect the 3 year lease. Attached is a copy of the current lease.
3. Application Date- On January 20, 2011, the Village Board approved Ordinance 6572 (attached) amending the DRBG program. According to State Statutes and reaffirmed by Village Counsel, the effective date of the Ordinance is 10 days after it was posted in pamphlet form. Ordinance 6572 was posted in pamphlet form on January 21, 2011. Therefore, the amendments were not effective until January 31, 2011. The application was received by the Village on January 21, 2011. Staff determined that because the latest amendments were not effective, the application would be considered under the old grant provisions.

ACTION REQUESTED

Staff recommends that the Village Board approve a resolution authorizing signatures of the Village President and Village Clerk on an Agreement authorizing the disbursement of funds from The Downtown Retail Business Grant Program in an amount not to exceed \$11,737.50 for the property located at 14 W. St. Charles Road.

ORDINANCE NO. 6572

COPY

AN ORDINANCE AMENDING TITLE 3, CHAPTER 36 OF THE LOMBARD VILLAGE CODE IN REGARD TO AMENDMENTS TO THE DOWNTOWN RETAIL BUSINESS GRANT PROGRAM

BE IT ORDAINED by the President and Board of Trustees of the Village of Lombard, DuPage County, Illinois, pursuant to the Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.), as follows:

SECTION 1: That Title 3, Chapter 36, Section 36.72 A3 of the Lombard Village Code are hereby amended to read in its entirety as follows:

3. The Project involves eligible improvements as determined by the Director of Community Development and as set forth in the Downtown Retail Business Grant Program Policy dated January 11, 2011 and approved by the Village Board Ordinance No.6572 , adopted Jan. 20, 2011 (“the Program Policy”).

SECTION 2: That Title 3, Chapter 36, Section 36.74 of the Lombard Village Code is amended to read in its entirety as follows:

§36.74 DISBURSEMENT OF GRANT FUNDS

No Grant funds shall be disbursed unless all Project-related activities are undertaken in compliance with all applicable provisions of both the Program Policy and Village Code and until the Village receives an affidavit from the Grant recipient containing his or her sworn statement that he or she has paid the approved cost of the Project. Original paid receipts must be attached to the affidavit. Upon receipt of the approved affidavit and receipts, the Village will release Grant Funds in accordance with the Program Policy, subject to proper documentation.

SECTION 3: That the “Downtown Retail Business Grant Program Policy” dated January 11, 2011, attached hereto as Exhibit A, is hereby adopted at the Program Policy as referenced in Section 36.72 A3 of the Lombard Village Code

SECTION 4: That this Ordinance shall be in full force and effect from and after its passage, approval and publication in pamphlet form as provided by law.

Passed on first reading this _____ day of _____, 2011.

First reading waived by action of the Board of Trustees this 20th day of January, 2011.

Passed on second reading this 20th day of January, 2011, pursuant to a roll call vote as follows:


AYES: Trustees Gron, Giagnorio, Wilson, Moreau, Fitzpatrick and Ware


NAYS: None

ABSENT: None

APPROVED by me this 20th day of January 2011.

ATTEST:


Brigitte O'Brien
Village Clerk


William J. Mueller
Village President

Published by me in pamphlet form this 21st day of January 2011.


Brigitte O'Brien
Village Clerk



MEMORANDUM

TO: William "Bill" Ware, Chairperson
Economic and Community Development Committee

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

DATE: April 6, 2011

SUBJECT: **Downtown Retail Business Grant; 14 W. St. Charles Road**

BACKGROUND

Staff has recently received a request for a Downtown Retail Business Grant (DRBG) for a home improvement store to be known as Cabinet Depot located 14 W. St. Charles Road. It is important to note that the work associated with the eligible improvements, excluding signage, has already been completed. The applicant did submit the application prior to the issuance of the building permit. Furthermore, a complete application had been received prior to the issuance of the Certificate of Occupancy/Zoning Certificate. The applicant and property owner were informed that they are proceeding at their own risk as the grant request needed to go through the required process. It should also be noted that this grant request is being reviewed in accordance with the old requirements since the application was made prior to the effective date of the new program.

GRANT REQUEST

Cabinet Depot is considered a home improvement store and is a permitted use within the B5 Zoning District. The business will operate as a showroom where several display kitchens will be located within the space highlighting their products. According to the information submitted by the business owner, they will only be selling cabinets at this location. Cabinets are manufactured in China and delivered to the customer's home for installation or sometimes picked up by the customer at the business. Renovations to the tenant space include work on the existing electrical and HVAC systems as well as several new walls partitioning off display areas.

The submitted cost estimates include \$23,475 in potentially eligible build-out, signage, and rent expenditures. The applicant is eligible to receive up to \$11,737.50 from the Downtown Retail Business Grant program. According to the business plan submitted by the applicant, they anticipate gross revenues of \$432,000 in the first year of business. However, as the business did not previously exist at another location, this figure is an estimate only.

Staff is supportive of this request as the establishment of a home improvement store at this location could generate significant sales tax and will occupy an unfilled market niche within the downtown.

ACTION REQUESTED

Staff requests that the Economic and Community Development Committee recommend to the Village Board approval of the request approving a DRBG grant disbursement for Cabinet Depot in the amount of up to \$11,737.50.

Letter received after ECDC
meeting of April 6, 2011

✓ President William J Mueller
Trustee Greg Gron
Trustee Keith Giagnorio
Trustee Zachary Wilson
Trustee Dana Moreau
Trustee Laura Fitzpatrick
Trustee William Ware

April 8, 2011

RE: Downtown Retail Business Grant
14 W. St. Charles Rd.

Dear President Mueller and Trustees:

I recently attended the April 6, 2011 ECDC meeting. At this meeting ECDC approved an \$11,737.50 grant for the applicant. During the process the applicant was asked various questions. He was asked about the business – he said they will buy cabinets from China and assemble them at the above location. The applicant was asked who he would sell to – he said "we will sell mainly to contractors and dealers". When questioned more he did admit they would sell to homeowners. An ECDC member asked him about contractors not paying sales tax. He confirmed if the contractor supplied him a tax resale number he would not charge sales tax. Another ECDC member asked what attracted him to Lombard – he said "low rent".

Someone who sells mainly to contractors and dealers is a wholesaler not a retailer. It appears they may also be an importer, again not a retailer. The RETAIL grant is for retailers, not wholesalers. This definitely appears to be a wholesale cabinet operation versus a retail home improvement center that caters to the general public. (Item C on attachment to application states "Our main customers are contractors and dealers...").

Staffs memo states "would generate significant sales tax". This could be in jeopardy if contractors and dealers use their tax resale numbers.

I hope Cabinet Depot does well. It sounds like they may, based on their description of product and price structure. When they do well and need more space in a year and half or so they will be free to leave. This is because their lease according to the application distributed by staff shows a lease term of 22 months (2/1/11 – 11/30/12).

The staff memo states this application is being considered under the old requirements. I believe the old requirements require a 3 year lease.

Staff memo states "application was made prior to the effective date of the new program". The new program was passed on January 20th, 2011, is dated January 11, 2011 and was published by the Village Clerk on January 21, 2011. The application is dated January 21, 2011 by the property owner and the business owner's signature is not dated. How can an application dated January 21, 2011 be submitted prior to January 11, January 20th or January 21st ?

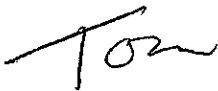
Wouldn't an ECDC member/property owner who supported and voted for the new retail grant want his property to come under it and set an excellent example?

If budgets are so tight why are we so loose with money? The businesses in my building who received grants were required to comply with the grant guidelines before being approved for funds. Why is this one different? \$11,737.50 is a lot of money.

In summary we are trying to give an \$11,737.50 Retail Grant to an importer/wholesaler who comes to Lombard due to low rents and did not sign a 3 year lease.

This does not seem right to me. I feel we should administer our Grant Programs properly for their intended purposes.

Thank you,



Tom Masterson
Downtown Lombard Property Owner
128 West St. Charles Road
Lombard, IL 60148
630-889-0092

Cc: Lombard Town Centre
102 W St Charles Road
Suite 2C
Lombard, IL 60148

RESOLUTION _____ 11

**A RESOLUTION AUTHORIZING SIGNATURES OF VILLAGE PRESIDENT
AND VILLAGE CLERK ON AN AGREEMENT AUTHORIZING THE
REIMBURSEMENT OF FUNDS FOR A DOWNTOWN RETAIL BUSINESS
GRANT FOR THE PROPERTY LOCATED AT 14 W. ST. CHARLES ROAD**

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, Gan Pang (hereinafter referred to as "Owner"), wish to participate in the Program for renovation of the tenant space located at 14 W. St. Charles Road, Lombard, Illinois as Cabinet Depot (hereinafter referred to as the "Project"); and,

WHEREAS, Wailea Holdings, LLC (hereinafter referred to as "Owner"), is the Owner of the Subject Property located at 14 W. St. Charles Road, Lombard, Illinois; 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 Applicant and Owner with a grant in an amount not to exceed \$11,737.50 pursuant to the Program (hereinafter referred to as the "Grant"), with said Grant to be administered in accordance with the terms and conditions of the Agreement Concerning Participating in the Downtown Retail Business Program attached hereto as Exhibit "A" and made part hereof (hereinafter referred to as the "Agreement"); said Agreement being hereby approved on behalf of the Village.

SECTION 2: That the Village President and Village Clerk are hereby authorized and directed to execute the Agreement on behalf of the Village.

SECTION 3: That this Resolution shall be in full force and effect from and after its adoption and approval as required by law.

Resolution No. _____
14 W. St. Charles Rd.
Page 2

Adopted this ____ day of _____, 2011.

Ayes: _____

Nayes: _____

Absent: _____

Approved this ____ day of _____, 2011.

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 _____, 2011, by and between the Village of Lombard, Illinois, (the "Village"), Wailea Holdings, LLC (hereinafter referred to as "Property Owner") and Gan Pang (hereinafter referred to as "Business Owner"), doing business as a retail business at 14 W. St. Charles Road, Lombard, Illinois (said business location being legally described on Exhibit "B" attached hereto and made part hereof – hereinafter referred to as the "Subject Property"), with personal property being secured at 14 W. St. Charles Road, 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

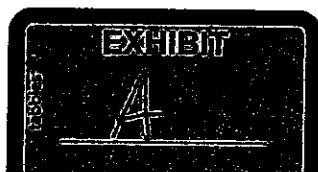
WHEREAS, this program will compliment and support the Village's plans to maintain a quality Central Business District; and

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 proposed retail business to be located at 14 W. St. Charles Road, 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 \$11,737.50 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 amounts 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 \$23,475. 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 submitted application and plans attached hereto as Exhibit "A" 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 six months from the date of execution of this agreement. Failure to complete the project within six 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.

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

Downtown Retail Business Grant Agreement
14 W. St. Charles Road
Page 3 of 10

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 President

Attest: Village Clerk

Downtown Retail Business Grant Agreement
14 W. St. Charles Road
Page 4 of 10

BUSINESS OWNER
(Lessee)

By:

Address _____

City, State _____

Downtown Retail Business Grant Agreement
14 W. St. Charles Road
Page 5 of 10

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 William J. Mueller, personally known to me to be the President 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 President 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 DUPAGE)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO
HEREBY CERTIFY that Gan Pang, personally known to me to be the business owner of Cabinet
Depot, and 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 as
such business owner, she signed and delivered the said instrument, as her free and voluntary act,
for the uses and purposes therein set forth.

GIVEN under my hand and official seal, this _____ day of 2011.

Commission expires _____, 20____.

Notary Public

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 _____, personally known to me to be the property
owner of 14 W. St. Charles Road and 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 as such property owner, he signed and delivered the said instrument, as his
free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and official seal, this _____ day of 2011.

Commission expires _____, 20____.

Notary Public

Downtown Retail Business Grant Agreement
14 W. St. Charles Road
Page 9 of 10

EXHIBIT A

Application and Plans

**DOWNTOWN RETAIL BUSINESS GRANT PROGRAM
APPLICATION**

1. A. Building Address: 14 W. ST. CHARLES RD LOMBARD
B. Property Identification Number: _____

2. A. Business Owners Name: GAN PANG "HOWARD"
B. Business Owners Address: 5522 South Kolin
Chicago, IL 60638
C. Business Owners Phone (daytime): (732) 910-8878
D. Business Owners Email: eminengp@yahoo.com

3. A. Property Owners Name: WAILEA HOLDINGS LLC (ED O'NEILL + GABRIEL NIELSEN)
B. Property Owners Address: 236 E. ST. CHARLES RD. LOMBARD, IL

C. Property Owners Phone (daytime): (708) 415-5830 / 312-371-2191

3. Lease Terms: 2/1/2011 - 11/30/2012 \$1325.00/MO. 2/1/11 - 11/30/12
with 2 yr. option to extend 1500/mo 2/1/12 - 11/30/12

4. Description of Business (use additional paper if necessary):
Kitchen cabinetry (Cabinet Depot)

5. Proposed Improvements associated with the project (use additional paper if necessary):

6. Plans/Drawings prepared by:

A. Name: JERRY MEDINA

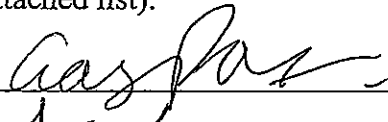
B. Address: 8040 95th Street
LYONS, IL 60534

C. Phone (day time): 630-675-6347

D. Estimated Cost of the project: \$ 18,500.-

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  (Date) _____

Property Owner Signature  (Date) 1/21/11

Return application to:

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

Business Plan

By

Cabinet Depot Inc.

Dear Village of Lombard,

Our company is called Cabinet Depot Inc. The goal of our company is to provide the best quality and best service along with affordable price to the local customer of Lombard. We manufacture the product in China, then ship it to the United State and distribute it through wholesales and retails. We want to use the space that is located on 14 W. St Charles St to display our cabinetry to the local community and our existing customers. We want to utilize the showroom to expand our business, to show our customers the quality of our product and to help local residents find elegant cabinetry with reasonable price.

Our product is packaged in China and ships it to United State in boxes. We are going to use the front of the office as showroom to display our cabinetry to our customers and use the back of the office as assembly area. Our cabinetry is shipped from China in boxes, so we are not going to need heavy machineries to assemble our cabinetry. Everything is already pre-made, all we have to do is put them together using cam-lock, wood stick and glue. It is very easy and fast assembles, but the cabinetry still carries a unique stylish of taste.

The business plan is compose by the director of Cabinet Depot Inc.

Thank you and Sincerely,

Cabinet Depot Inc.

A.

Our business is retail & wholesale cabinets shop that supplying the finest quality of kitchen cabinet in the industry. We provide our customers with the best quality of cabinets along with the reasonable price. A typical 10' x 10' kitchen would cost around \$1,999.00. The store is use for sales and assembly only; we do not install cabinets for our customer.

B.

Our product has one of the best qualities in the industry and still has the competitive edge on the prices. We do not use MDF or particleboard on our cabinets; our drawers came with dovetail joint and it's full extension under mount soft closing slide, our hinges are six ways adjustable and come with soft close too. Our drawer faces and doors are solid wood. We use cam lock and wood stick to assemble, no nails needed on our cabinet. Our cabinet's finishing is consider one of the best in the industry, you cannot even see the lines where the wood connect each other, and we paint the door panel separately, so at winter time when the panel shrinks you won't see the white lines on the door panel. We plan to give our customers the best offer there is on the market.

C.

Our main customers are contractors and dealers but with the heavy traffic on St. Charles road, we feel the walk-in customers will grow slowly but steadily. There are no cabinet shops like ours around this area and the trend in today's economy is getting better by the day.

D.

We will use fliers as advertising when we open up as we feel word of mouth as well as our existing customers will get us going until we are comfortable with operating the store. Our customers could not get a better pricing with the quality that we provide anywhere else.

E.

We have years of experience in the cabinet industry; our knowledge and experience should minimize our risk. Costs in the business that includes build out and equipment should be around \$30,000.

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.

G.

Our team:

Paul – Manager – has been working in this industry for 5 years, was a sales manager at another company before join us.

Wesley – has experience in assemble cabinet

Howard – has experience in sales in this industry

H.

Leases are signed. Incorporation and federal ID numbers have been issued. The project is ready and the final inspections are all passed. We hope to be open by late March or early April.

I.

Our competitors do not have the same quality that we provide, and our pricing is very competitive with our competitors, because we have our own manufactory, which is great leverage against competitors and their pricing. Our credit is established. Our costs are a constant as labor is minimal.

J. See attached papers

EXPENSES

<u>Item</u>	<u>Set-up</u>	<u>Monthly</u>	<u>1st Year</u>	<u>2nd Year</u>	<u>3rd Year</u>
Store Front Rent (3 month start up)	\$3,975	\$1,325	\$15,900	\$18,000	\$19,488
Security Deposit	\$3,000	\$0	\$0	\$0	\$0
Pricing sheets, labels & paper supplies	\$400	\$50	\$600	\$900	\$1,200
Bags, tissue, tags, packages, boxes, etc.	\$500	\$150	\$1,800	\$2,580	\$3,350
Marketing/Advertising	\$300	\$100	\$1,200	\$2,500	\$3,800
Grand Opening	\$300	\$0	\$0	\$0	\$0
Logo design items	\$200	\$0	\$200	\$300	\$400
Signage	\$1,000	\$0	\$0	\$0	\$0
Salaries (3 month start up)	\$10,800	\$3,600	\$43,200	\$50,000	\$58,000
Incorporation/Permit/Licensing	\$500	\$0	\$0	\$0	\$0
Website	\$500	\$50	\$600	\$900	\$1,200
Utilities	\$0	\$300	\$3,600	\$4,200	\$4,800
Misc.	\$300	\$100	\$1,200	\$1,800	\$2,400
Inventory	\$36,000	\$12,000	\$144,000	\$220,000	\$320,000
<u>Total</u>	\$57,775	\$17,675	\$212,300	\$301,180	\$414,638

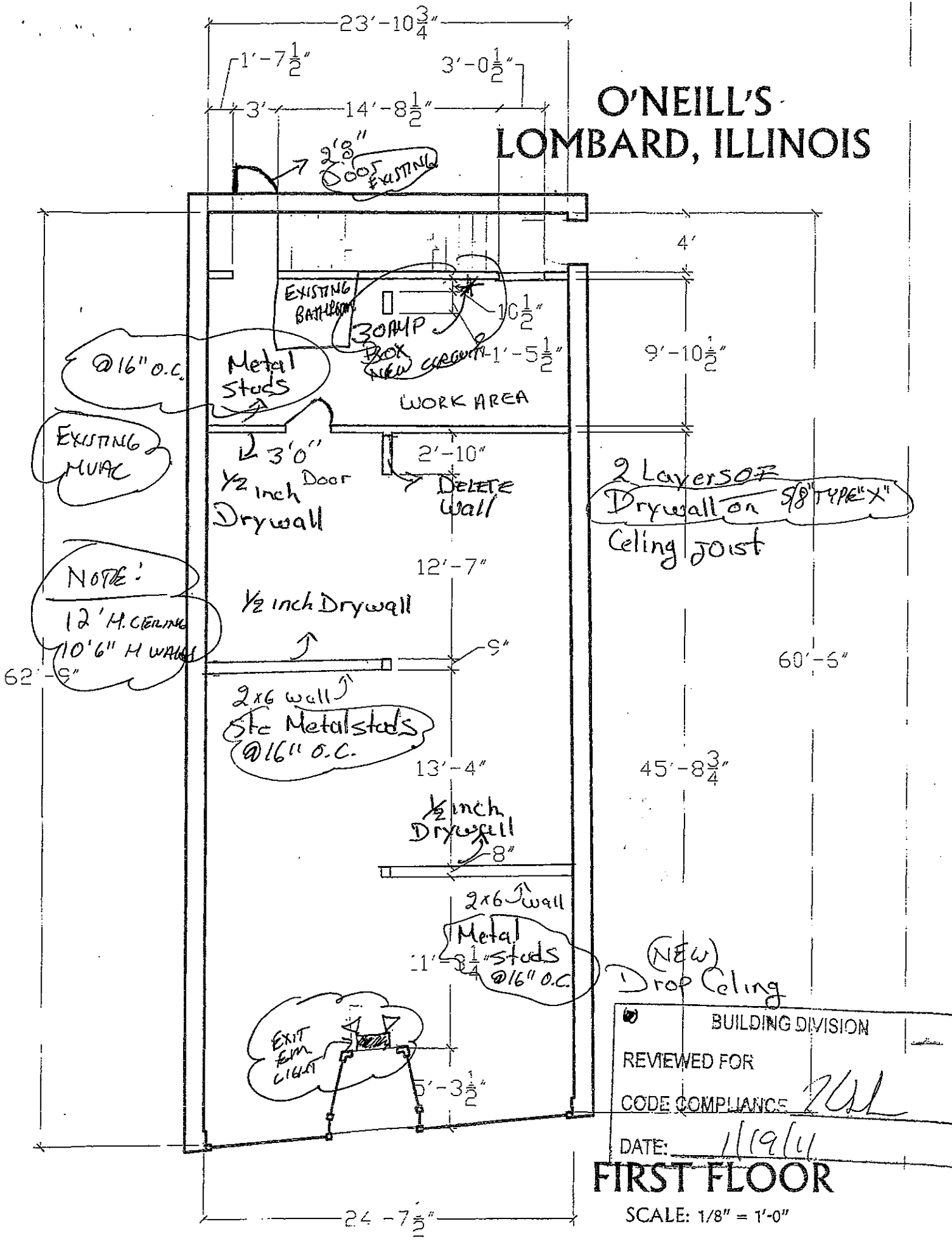
Sales Goals

<u>Total</u>	<u>Weekly</u>	<u>Monthly</u>	<u>1st Year</u>	<u>2nd Year</u>	<u>3rd Year</u>
	\$8,500	\$36,000	\$432,000	\$660,000	\$960,000

Improvement Budget - 14 W. St. Charles Road

Framing / Carpentry	\$4,720.00
	\$850.00
Electical	\$3,250.00
	\$450.00
Drywall	\$2,300.00
Paint	\$2,280.00
New Drop Ceiling	\$3,900.00
Floor repair/improvements	\$550.00
Signage	\$1,800.00
Three months rent	\$3,925.00
	<hr/>
	\$24,025.00

O'NEILL'S LOMBARD, ILLINOIS



BUILDING DIVISION	
REVIEWED FOR	
CODE COMPLIANCE	<i>RL</i>
DATE:	1/19/11

FIRST FLOOR

SCALE: 1/8" = 1'-0"

EXHIBIT B

LEGAL DESCRIPTION OF SUBJECT PROPERTY

THAT PART OF LOTS 4 AND 5 IN BLOCK 11 IN THE TOWN OF LOMBARD, BEING A SUBDIVISION IN THE NORTHEAST QUARTER OF SECTION 7, TOWNSHIP 39 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE POINT OF INTERSECTION OF THE NORTH LINE OF ST. CHARLES ROAD (FORMERLY LAKE STREET) AND THE WEST LINE OF THE EAST 93.12 FEET OF LOT 6 (SAID LINE BEING THE EAST LINE OF PARK AVENUE); THENCE NORTHERLY ALONG THE EAST LINE OF PARK AVENUE 206.83 FEET TO A POINT ON THE NORTHERLY LINE OF A 33.0 FOOT PUBLIC ALLEY HERETOFORE VACATED PER DOCUMENT NUMBER 26476; THENCE NORTHEASTERLY ALONG THE NORTHERLY LINE OF SAID VACATED ALLEY 199.58 FEET TO A POINT ON THE EASTERLY LINE AND ITS NORTHERLY EXTENSION THEREOF, OF THE WEST 100.0 FEET OF LOT 5; THENCE SOUTHERLY ALONG SAID EASTERLY LINE OF THE WEST 100 FEET OF LOT 5 AND ITS NORTHERLY EXTENSION A DISTANCE OF 93.55 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING SOUTHERLY ALONG THE LAST DESCRIBED LINE A DISTANCE OF 24.54 FEET; THENCE EASTERLY ALONG THE NORTH LINE OF THE SOUTH 70.0 FEET (AS MEASURED ALONG THE EAST AND WEST LINES THEREOF) A DISTANCE OF 24.94 FEET; THENCE SOUTHERLY ALONG A LINE 5 FEET EAST OF THE WEST LINE OF LOT 4, 70.0 FEET TO A POINT ON THE NORTHERLY LINE OF ST. CHARLES ROAD; THENCE WESTERLY ALONG SAID NORTHERLY LINE OF ST. CHARLES ROAD, 50.06 FEET; THENCE NORTHERLY A DISTANCE OF 97.55 FEET TO A POINT 25.04 FEET WESTERLY TO THE POINT OF BEGINNING; THENCE EASTERLY 25.04 FEET TO THE POINT OF BEGINNING, IN DUPAGE COUNTY, ILLINOIS.

PIN 06-07-206-020

COMMERCIAL LEASE AGREEMENT

THIS LEASE, made as of the 18th day of October, 2010, by and between Wailea Holdings LLC (hereinafter referred to as "Landlord"), and Cabinet Depot, 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, First Floor located in Lombard, State of Illinois consisting of 1,625 square feet more or less.

1. **TERM AND USE:** This Lease shall be for a term beginning on 1st day of March, 2011, and expiring on the 28th day of February, 2014. The demised premises shall be completed and ready for Tenant's occupancy on or before March 1st, 2011, and Landlord further agrees to use its best efforts to have the demised premises completed and ready for Tenant's occupancy by said date. However, in the event that said premises are not completed and ready for Tenant's occupancy at the beginning of the term due to the failure of the prior Tenant to surrender possession of the premise to the Landlord, work stoppages, labor controversies, accidents or other causes beyond the reasonable control of Landlord, Landlord shall not be liable to Tenant for damages by reason thereof, nor shall Tenant be relieved from any obligation under this Lease, but the rental provided for herein shall abate proportionately to the date on which said premises are so completed and ready, but the expiration date for the term hereof shall not be different from that specified herein. If the demised premises are not completed and ready within thirty (60) days after the beginning of the term, Tenant, at its option may give Landlord notice of its withdrawal from this Lease, in which event this Lease shall be null and void, and any rent paid by Tenant in advance shall be refunded to it by the Landlord. In the event the demised premises are ready for Tenant's occupancy prior to the beginning of the term and Tenant desires to take possession of such premises, Tenant shall pay rental for the period of occupancy prior to the beginning of the term on a per diem basis at the monthly rate specified herein.

The demised premises shall be used for the purpose of a Cabinet Display Shop and for all uses incidental to the foregoing and for no other purpose.

2. **RENT:** Tenant shall pay to Landlord the sum of THIRY THREE THOUSAND, NINE HUNDRED Dollars (\$33,900.00) in rent installments as follows:

March 1, 2011 – February 28, 2012	\$1,325.00/month
March 1, 2012 – February 28, 2013	\$1,500.00/month
March 1, 2013 – February 28, 2014	\$1,624.00/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 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 first and/or 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. ADDITIONAL RENT - REAL ESTATE TAX AND INSURANCE INCREASES:
Additional rent from December 2010 to November 2012 is waived.**

Tenant shall pay to the Landlord as additional rent \$2.25 per square foot for real estate tax and building insurance.

"Real estate taxes" shall mean any and all real estate taxes and assessments levied or assessed upon the land and building in which the Premises is located. Tenant shall also pay to the Landlord Tenant's proportionate share of any and all fees and expenses, which may be incurred by Landlord for protesting or settling any tax assessment, rate or bill pertaining to the land and building. The Landlord will furnish the Tenant a copy of the tax or other fee invoice with the additional rent billing. When the lease terminates by lapse of time or otherwise, additional rental for real estate tax increases will be billed and due prior to the last day of occupancy. The real estate tax increase will be the actual amount, if known, or an estimate based on a 10% increase over the preceding year's actual real estate taxes. This tax amount will be reduced to such fraction that the number of days the Premises was leased bears to the number of days in the year. If the tax amount is estimated after the actual tax increase is determined, the difference between the estimate and the actual amount will be billed to or refunded to the Tenant.

Billings for additional rental for real estate tax increases are due within ten days following receipt of the invoice. Late payments are subject to late charges as included in Paragraph 2c.

4. SECURITY DEPOSIT: Tenant shall deposit with Landlord, upon complete execution and delivery of this Lease, the below listed amount (\$3,000.00) and first months rent (\$1,325.00) 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. Landlord shall refund the security deposit without deduction 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.

4a. Security Deposit Required: \$3,000.00

4b. 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.

4c. 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.

5. 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.

5a. Tenant shall assume and pay for all electricity or other utilities which may be used in the demised premises during the term of this Lease or any extension thereof. 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 shall be responsible for obtaining and paying for a service contract for the maintenance and repair of the units and having the units serviced on a yearly basis.

6. **CONDITION OF PREMISES:** The taking of possession of the demised premises by Tenant shall be conclusive evidence as against Tenant that the demised premises were in good order and satisfactory condition at the time of such possession, provided that if upon the taking of possession Tenant shall notify Landlord in writing of any substantial defects in the condition of the demised premises as of such date Landlord shall promptly take such action at its sole expense as may be required to remedy such defects. 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.

6a. 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 tenable 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.

7. **ALTERATIONS AND USE OF THE PREMISES:** 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 statutes 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.

8. **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.

9. 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", and will not interfere with the same.

10. 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.

11. 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 11, 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.

12. 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.

12a. 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.

12b. CONTENTS INSURANCE: Tenant shall, at its sole expense, provide Tenant's contents insurance.

13. 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.

13a. Without limitation of the provisions of Paragraph 13 of this Lease and subject to the provisions of Paragraph 28 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 during the term of this Lease and any extension hereof.

14. 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 of adjacent or continuous property.

15. 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.

16. 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.

16a. 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.

16b. 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.

16c. 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.

17. 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.

18. 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.

19. 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 of 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.

The remaining term of the Lease from March 1, 2013 to February 28, 2014 may be terminated at the sole option of the Tenant by written notice to the Landlord on or before December 31, 2012.

20. 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.

21. 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.

22. TRANSFER OF OWNERSHIP: If the Premises or Building is sold or otherwise conveyed by Landlord, the lease will be transferred to Landlord's successor, and if so, Tenant hereby releases Landlord from any and all liability.

23. 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 a 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).

24. 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 23, current rental shall be apportioned as of the date of such termination.

25. PARKING: Tenant shall have one reserved parking spot at no additional rental.

26. COMMON MAINTENANCE: Landlord shall provide exterior building maintenance, lawn care and parking lot snow removal. Tenant shall provide snow removal from front

sidewalk.

27. **OPTION TO EXTEND:** Tenant shall have the option to renew for (1) one year period with 90 day written notice. If Tenant exercises its option to renew, Landlord will not place for rent signs at the premises.

March 1, 2014- February 28, 2015 \$1,673.75/month

28. **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 22 & 23 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.

29. **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.

30. **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.

31. 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
Wailea Holdings LLC
236 E. St. Charles Road
Lombard, IL 60148

Bill to Tenant:
Cabinet Depot, Inc.
14 W. St. Charles Road
Lombard, IL 60148

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.

32. 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.

33. 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.

34. 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 or 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.

35. REPRESENTATION AND COMPENSATION OF TENANT

REPRESENTATIVES: With regard to the Landlord and the Landlord's Exclusive Agent (Re/Max Suburban) 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 its 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.

36. 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.

Wailea Holdings LLC effective
dated October 18, 2010

TENANT: Pawel Raczka, Gang Pang

By: *Edward O'Neill* Date: *10/18/10*

Edward O'Neill, Principal

By: Date: *10/18/10*

Pawel Raczka
Pawel Raczka, Partner

By: *Gang Pang* Date: *10-18-10*
Gang Pang, Partner

PERSONAL GUARANTEE


To induce Wailea Holdings LLC ("Landlord") to enter into the foregoing Lease Agreement dated October 18, 2010 to Pawel Raczka & Gang Pang, ("Tenant") 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.

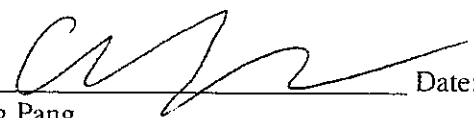
The undersigned waive notice of non-payment or non-performance by Tenant of any condition of said Lease. In the event of default by Tenant, the undersigned waives any right to require Landlord to proceed against Tenant or any security.

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 effective this 18th day of October, 2010

GUARANTORS:


Date: 10/18/10
Pawel Raczka


Date: 10/18/10
Gang Pang

**MEMORANDUM**

TO: David A. Hulseberg, Village Manager

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

DATE: May 5, 2011

SUBJECT: Downtown Retail Business Grant; 14 W. St. Charles Road

BACKGROUND

At the April 21, 2011 Village Board meeting, the proposed Downtown Retail Business Grant (DRBG) for Cabinet Depot located at 14 W. St. Charles Road was continued to the May 5, 2011 Village Board meeting. During public participation at the April 21, 2011 meeting, Thomas Masterson expressed concerns relative to the proposed grant. Specifically, he requested that the Village Attorney review the following aspects of the grant request:

- 2 leases on the property
- 3 year lease
- Application and Ordinance approval date

Staff did discuss these three (3) items with the Village Attorney and we offer the following response:

2 Leases on the Property

As mentioned in the staff memo on April 21, 2011, when the original application was submitted to the Village, the business and property owner identified on the application that the lease would be for 22 months. Upon staff's review, we told them that the business needed a 3 year lease to be eligible. The business and property owners subsequently amended the lease to include a 3 year term (March 1, 2011-February 28, 2014). Staff spoke with one of the property owners and they confirmed that the lease provided to the Village (attached as Exhibit A) with the 3 year term is the current lease and that the 22 month lease is no longer applicable.

3 Year Lease

Village Counsel did review the current lease term for the property and noted that page 8, paragraph 20 does allow the tenant to terminate the lease after 2 years. The provision states the following:

"The remaining term of the Lease from March 1, 2013 to February 28, 2014 may be terminated at the sole option of the Tenant by written notice to the Landlord on or before December 31, 2012"

Village Counsel did state that in order to be eligible for the grant, the lease should be amended to strike this provision. The DRBG policy guide does allow grant approval to be contingent upon a

written lease from a landlord and the applicant. If the Village Board were to approve the grant, a condition could be added requiring the lease to be amended to ensure that the terms are for a full 3 years. Staff has discussed this with one of the property owners and he stated that they are willing to make the necessary changes, including striking that provision.

Application and Ordinance Approval Date

As previously mentioned, Village Counsel did review the Illinois State Statutes as they pertain to when approved Ordinances are effective. According to 65 ILCS 5/1-2-4 (attached as Exhibit B), the effective date of an Ordinance associated with making any appropriation is 10 days after it is posted in pamphlet form. Ordinance 6572, which approved changes to the DRBG, was posted in pamphlet form on January 21, 2011. Therefore, the amendments were not effective until January 31, 2011. The application was received by the Village on January 21, 2011. Village Counsel has confirmed that the proposed grant should be considered under the previous provisions (attached Exhibit C).

ACTION REQUESTED

The ECDC recommends that the Village Board approve a resolution authorizing signatures of the Village President and Village Clerk on an Agreement authorizing the disbursement of funds from The Downtown Retail Business Grant Program in an amount not to exceed \$11,737.50 for the property located at 14 W. St. Charles Road. Staff recommends that the approval should be contingent upon the lease being amended to ensure that the terms are for a full 3 years.

COMMERCIAL LEASE AGREEMENT

THIS LEASE, made as of the 18th day of October, 2010, by and between Wailea Holdings LLC (hereinafter referred to as "Landlord"), and Cabinet Depot, Inc., (hereinafter referred to as "Tenant"):

WITNESSETH:

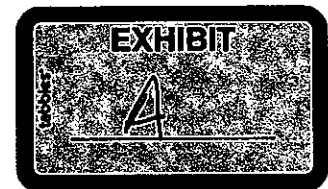
For and in consideration of and subject to the mutual covenants and agreements hereinafter stated, Landlord does hereby lease to the Tenant, and Tenant hereby leases from Landlord, solely for the purposes hereinafter set forth, the premises 14 W. St. Charles, First Floor located in Lombard, State of Illinois consisting of 1,625 square feet more or less.

1. **TERM AND USE:** This Lease shall be for a term beginning on 1st day of March, 2011, and expiring on the 28th day of February, 2014. The demised premises shall be completed and ready for Tenant's occupancy on or before March 1st, 2011, and Landlord further agrees to use its best efforts to have the demised premises completed and ready for Tenant's occupancy by said date. However, in the event that said premises are not completed and ready for Tenant's occupancy at the beginning of the term due to the failure of the prior Tenant to surrender possession of the premise to the Landlord, work stoppages, labor controversies, accidents or other causes beyond the reasonable control of Landlord, Landlord shall not be liable to Tenant for damages by reason thereof, nor shall Tenant be relieved from any obligation under this Lease, but the rental provided for herein shall abate proportionately to the date on which said premises are so completed and ready, but the expiration date for the term hereof shall not be different from that specified herein. If the demised premises are not completed and ready within thirty (60) days after the beginning of the term, Tenant, at its option may give Landlord notice of its withdrawal from this Lease, in which event this Lease shall be null and void, and any rent paid by Tenant in advance shall be refunded to it by the Landlord. In the event the demised premises are ready for Tenant's occupancy prior to the beginning of the term and Tenant desires to take possession of such premises, Tenant shall pay rental for the period of occupancy prior to the beginning of the term on a per diem basis at the monthly rate specified herein.

The demised premises shall be used for the purpose of a Cabinet Display Shop and for all uses incidental to the foregoing and for no other purpose.

2. **RENT:** Tenant shall pay to Landlord the sum of THIRY THREE THOUSAND, NINE HUNDRED Dollars (\$33,900.00) in rent installments as follows:

March 1, 2011 – February 28, 2012 \$1,325.00/month
March 1, 2012 – February 28, 2013 \$1,500.00/month
March 1, 2013 – February 28, 2014 \$1,624.00/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 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 first and/or 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. ADDITIONAL RENT - REAL ESTATE TAX AND INSURANCE INCREASES:
Additional rent from December 2010 to November 2012 is waived.**

Tenant shall pay to the Landlord as additional rent \$2.25 per square foot for real estate tax and building insurance.

"Real estate taxes" shall mean any and all real estate taxes and assessments levied or assessed upon the land and building in which the Premises is located. Tenant shall also pay to the Landlord Tenant's proportionate share of any and all fees and expenses, which may be incurred by Landlord for protesting or settling any tax assessment, rate or bill pertaining to the land and building. The Landlord will furnish the Tenant a copy of the tax or other fee invoice with the additional rent billing. When the lease terminates by lapse of time or otherwise, additional rental for real estate tax increases will be billed and due prior to the last day of occupancy. The real estate tax increase will be the actual amount, if known, or an estimate based on a 10% increase over the preceding year's actual real estate taxes. This tax amount will be reduced to such fraction that the number of days the Premises was leased bears to the number of days in the year. If the tax amount is estimated after the actual tax increase is determined, the difference between the estimate and the actual amount will be billed to or refunded to the Tenant.

Billings for additional rental for real estate tax increases are due within ten days following receipt of the invoice. Late payments are subject to late charges as included in Paragraph 2c.

4. SECURITY DEPOSIT: Tenant shall deposit with Landlord, upon complete execution and delivery of this Lease, the below listed amount (\$3,000.00) and first months rent (\$1,325.00) 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. Landlord shall refund the security deposit without deduction 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.

4a. Security Deposit Required: \$3,000.00

4b. 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.

4c. 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.

5. 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.

5a. Tenant shall assume and pay for all electricity or other utilities which may be used in the demised premises during the term of this Lease or any extension thereof. 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 shall be responsible for obtaining and paying for a service contract for the maintenance and repair of the units and having the units serviced on a yearly basis.

6. **CONDITION OF PREMISES:** The taking of possession of the demised premises by Tenant shall be conclusive evidence as against Tenant that the demised premises were in good order and satisfactory condition at the time of such possession, provided that if upon the taking of possession Tenant shall notify Landlord in writing of any substantial defects in the condition of the demised premises as of such date Landlord shall promptly take such action at its sole expense as may be required to remedy such defects. 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.

6a. 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 tenable 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.

7. **ALTERATIONS AND USE OF THE PREMISES:** 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 statutes 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.

8. **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.

9. 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", and will not interfere with the same.

10. 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.

11. 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 11, 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.

12. 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.

12a. 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.

12b. CONTENTS INSURANCE: Tenant shall, at its sole expense, provide Tenant's contents insurance.

13. 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.

13a. Without limitation of the provisions of Paragraph 13 of this Lease and subject to the provisions of Paragraph 28 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 during the term of this Lease and any extension hereof.

14. 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 of adjacent or continuous property.

15. 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.

16. 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.

16a. 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.

16b. 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.

16c. 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.

17. 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.

18. 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.

19. 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 of 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.

The remaining term of the Lease from March 1, 2013 to February 28, 2014 may be terminated at the sole option of the Tenant by written notice to the Landlord on or before December 31, 2012.

20. 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.

21. 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.

22. TRANSFER OF OWNERSHIP: If the Premises or Building is sold or otherwise conveyed by Landlord, the lease will be transferred to Landlord's successor, and if so, Tenant hereby releases Landlord from any and all liability.

23. 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 a 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 in 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).

24. 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 23, current rental shall be apportioned as of the date of such termination.

25. PARKING: Tenant shall have one reserved parking spot at no additional rental.

26. COMMON MAINTENANCE: Landlord shall provide exterior building maintenance, lawn care and parking lot snow removal. Tenant shall provide snow removal from front

sidewalk.

27. **OPTION TO EXTEND:** Tenant shall have the option to renew for (1) one year period with 90 day written notice. If Tenant exercises its option to renew, Landlord will not place for rent signs at the premises.

March 1, 2014- February 28, 2015 \$1,673.75/month

28. **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 22 & 23 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.

29. **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.

30. **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.

31. 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
Wailea Holdings LLC
236 E. St. Charles Road
Lombard, IL 60148

b) If to Tenant:
Cabinet Depot, Inc
14 W. St. Charles Road
Lombard, IL 60148

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.

32. 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.

33. 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.

34. 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 or 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.

35. REPRESENTATION AND COMPENSATION OF TENANT

REPRESENTATIVES: With regard to the Landlord and the Landlord's Exclusive Agent (Re/Max Suburban) 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 its 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.

36. 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.

Wailea Holdings LLC effective
dated October 18, 2010

TENANT: Pawel Raczka, Gang Pang

By: *Edward O'Neill* Date: *10/18/10*

Edward O'Neill, Principal

By: Date: *10/18/10*

Pawel Raczka
Pawel Raczka, Partner

By: *Gang Pang* Date: *10-18-10*

Gang Pang, Partner

PERSONAL GUARANTEE


To induce Wailea Holdings LLC ("Landlord") to enter into the foregoing Lease Agreement dated October 18, 2010 to Pawel Raczka & Gang Pang, ("Tenant") 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.

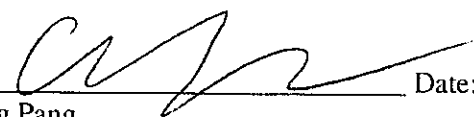
The undersigned waive notice of non-payment or non-performance by Tenant of any condition of said Lease. In the event of default by Tenant, the undersigned waives any right to require Landlord to proceed against Tenant or any security.

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 effective this 18th day of October, 2010

GUARANTORS:


Date: 10/18/10
Pawel Raczka


Date: 10/18/10
Gang Pang

5/1-2-3.1. Building codes

§ 1-2-3.1. Building codes. Beginning on the effective date of this amendatory Act of the 92nd General Assembly, any municipality with a population of less than 1,000,000 adopting a new building code or amending an existing building code must, at least 30 days before adopting the code or amendment, provide an identification of the code, by title and edition, or the amendment to the Illinois Building Commission for identification on the Internet.

For the purposes of this Section, "building code" means any ordinance, resolution, law, housing or building code, or zoning ordinance that establishes construction related activities applicable to structures in the municipality.

Laws 1961, p. 576, § 1-2-3.1, added by P.A. 92-489, § 15, eff. July 1, 2002.

5/1-2-4. Publication of ordinances; effective date

§ 1-2-4. All ordinances of cities, villages and incorporated towns imposing any fine, penalty, imprisonment, or forfeiture, or making any appropriation, shall (1) be printed or published in book or pamphlet form, published by authority of the corporate authorities, or (2) be published at least once, within 30 days after passage, in one or more newspapers published in the municipality, or if no newspaper is published therein, then in one or more newspapers with a general circulation within the municipality. If there is an error in printing, the publishing requirement of this Act shall be satisfied if those portions of the ordinance that were erroneously printed are republished, correctly, within 30 days after the original publication that contained the error. The fact that an error occurred in publication shall not affect the effective date of the ordinance so published. If the error in printing is not corrected within 30 days after the date of the original publication that contained the error, as provided in the preceding sentence, the corporate authorities may by ordinance declare the ordinance that was erroneously published to be nevertheless valid and in effect no sooner than the tenth day after the date of the original publication, notwithstanding the error in publication, and shall order the original ordinance to be published once more within 30 days after the passage of the validating ordinance. In municipalities with less than 500 population in which no newspaper is published, publication may instead be made by posting a notice in 3 prominent places within the municipality. An annual appropriation ordinance adopted under Section 8-2-9 shall take effect upon passage, but no other ordinance described in this paragraph shall take effect until 10 days after it is so published, except that an ordinance imposing a municipal retailers' occupation tax adopted under Section 8-11-1, or a Tourism, Convention and Other Special Events Promotion Tax adopted under Section 8-3-13, or effecting a change in the rate thereof shall take effect on the first day of the month next following the expiration of the 30 day publication period. However, ordinances establishing rules and regulations for the construction of buildings or any part thereof, or for the development or operation of camps accommodating persons in house trailers, house cars, cabins or tents, where such rules and regulations have been previously printed in book or pamphlet form, may by their terms provide for the adoption of such rules and regulations or portions thereof by reference thereto without further printing, or publication, if not less than one copy of such rules and regulations in book or pamphlet form has been filed in the office of the clerk of the municipality for use and examination by the public at least 30 days prior to the adoption thereof.

All other ordinances, resolutions and motions, shall take effect upon their passage unless they otherwise provide.

This Section applies to incorporated towns even if the Section's provisions are in conflict with the charters of such incorporated towns.

Anything in this Section to the contrary notwithstanding, any ordinance which contains a statement of its urgency in the preamble or body thereof, other than an ordinance adopted under Article 8 of this Code,¹ may take effect immediately upon its passage provided that the corporate authorities, by a vote of $\frac{2}{3}$ of all the members then holding office, so direct. The decision of the corporate authorities as to the urgency of any ordinance shall not be subject to judicial review except for an abuse of discretion.

Laws 1961, p. 576, § 1-2-4, eff. July 1, 1961. Amended by Laws 1965, p. 68, § 1, eff. July 1, 1965; Laws 1965, p. 1787, § 1, eff. July 20, 1965; Laws 1967, p. 924, § 1, eff. July 1, 1967; Laws 1967, p. 1795, § 1, eff. Aug. 1, 1967; Laws 1968, p. 80, § 1, eff. Aug. 17, 1968; P.A. 80-1121, § 1, eff. July 1, 1978; P.A. 86-1470, § 2, eff. Dec. 12, 1990; P.A. 87-1197, Art. 1, § 1, eff. Sept. 25, 1992; P.A. 89-266, § 5, eff. Jan. 1, 1996.

Formerly Ill.Rev.Stat.1991, ch. 24, ¶ 1-2-4.

¹ 65 ILCS 5/8-1-1 et seq.

5/1-2-5. Recordation; record as prima facie evidence

§ 1-2-5. The municipal clerk shall record, in a book used exclusively for that purpose, all ordinances passed by the corporate authorities. Immediately following each ordinance the municipal clerk shall make a memorandum of the date of the passage and of the publication or posting, where required, of the ordinance. This record and memorandum, or a certified copy thereof, shall be prima facie evidence of the contents, passage, and of the publication or posting of ordinances.

This section shall not apply to cities with a population of 500,000 or more.

Laws 1961, p. 576, § 1-2-5, eff. July 1, 1961.

Formerly Ill.Rev.Stat.1991, ch. 24, ¶ 1-2-5.

5/1-2-6. Proof of ordinances; book or pamphlet as prima facie evidence

§ 1-2-6. The contents of all municipal ordinances, the date of passage, and the date of publication or posting, where required, may be proved by the certificate of the municipal clerk, under the seal of the corporation.

Whenever municipal ordinances are printed in book or pamphlet form, and purport to be published by authority of the corporate authorities, such book or pamphlet shall be prima facie evidence of the contents, passage, and legal publication of such ordinances, as of the dates mentioned in such book or pamphlet, in all courts and administrative tribunals.

Laws 1961, p. 576, § 1-2-6, eff. July 1, 1961.

Formerly Ill.Rev.Stat.1991, ch. 24, ¶ 1-2-6.

5/1-2-7. Enforcement of ordinances; violations

§ 1-2-7. All actions brought to enforce any fine, imprisonment, penalty, or forfeiture under any ordinance of any municipality, shall be brought in the corporate name of the municipality, as plaintiff. No prosecution, recovery, conviction, or acquittal, for the violation of any ordinance, shall constitute a defense to any other prosecution of the same party for any other violation of the same or any other ordinance, although the different causes of action existed at

EXHIBIT

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B

DOWNTOWN RETAIL BUSINESS GRANT PROGRAM



May 21, 2009

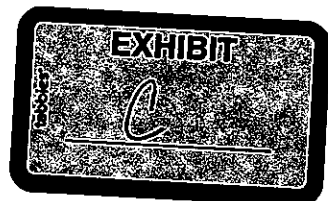
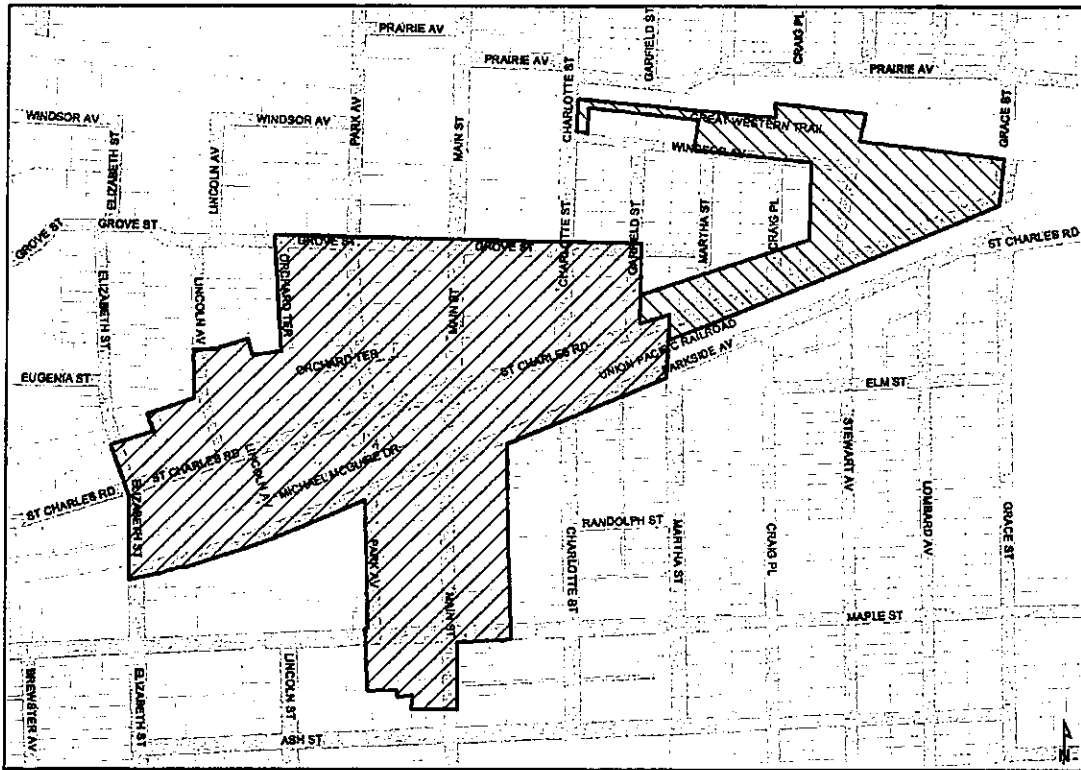
The purpose of the Downtown Retail Business Grant Program (hereinafter the "Program") is to increase the economic viability of Downtown Lombard by attracting targeted retail businesses and assisting existing businesses in the Downtown. The program will offer a 50% matching grant for eligible expenditures associated with helping the start-up of new businesses or the expansion of existing businesses in the Downtown. Priority will be given to businesses that best complement the Lombard Downtown retail mix and help strengthen existing retail clusters. Grant monies derive from TIF funds, and therefore priority will be given to businesses with projected tangible benefits to the TIF area.

Eligible TIF Districts

The Program will only be offered to businesses located within the Lombard Downtown TIF District or the Lombard St. Charles Road TIF District I (West) ("hereinafter the "Eligible TIF Districts"). The boundaries of the Eligible TIF Districts are shown on Figure 1 below. An existing business in Lombard that is outside of the TIF boundaries would not be eligible for funds unless it opens an additional location within the boundaries of the Eligible TIF Districts.

Figure 1. Eligible TIF Districts

-  Lombard Downtown TIF District
-  Lombard St. Charles Road TIF I (West)



Program Eligibility

Eligibility requirements are as follows:

1. **Expenditures.** Eligible expenditures include build-out of space, first three months of rent (existing business must move into a new space in the TIF area or expand their existing space), signage, moving expenses, visual merchandising, retail consulting, and licensed space designer (ASID). The program does not cover costs associated with production equipment, media marketing/advertising, payroll, day-to-day operational costs (e.g. utilities, taxes, maintenance), refuse, or product.
2. **Amount.** Participants will be eligible for up to \$20,000. Participants must expend verified funds and then will be reimbursed for qualified expenditures up to but not exceeding 50% of acceptable expenditures. The Retail Business Grant Program shall not exceed \$20,000 per participant. The Economic and Community Development Committee may recommend amounts of less than \$10,000. Grants exceeding that amount will require Village Board approval.
3. **Ownership/Lease.** Applicants to the Retail Business Grant Program must either own or have a minimum three-year lease in a first floor retail location along a public street. In some instances, approval may be contingent upon a written lease from a landlord and the applicant.
4. **Occupancy-** Businesses who receive grant money shall remain open at the location identified in their grant application for at least three (3) years from the date of the original grant disbursement. The Village shall be reimbursed for any fees including but not limited to attorney's fees associated with enforcement of this provision.
5. **Eligible Businesses.**
 - A. Priority will be given to retail businesses that best complement the Lombard downtown retail mix. A list of targeted retail categories is as follows: clothing stores, produce market, cd/music store, design/decoration/furniture, electronics, home improvement, specialty foods, crafts/toys/hobbies, custom jewelry, kitchen/home accessories, children's products, entertainment venues (which complement restaurants in the downtown), specialty retail, computer store, shoe store, and art shops/galleries. Other stores may be eligible for the Program, subject to review by the Economic and Community Development Committee.
 - B. Service businesses with a substantial retail component, as defined by having 25% of its gross income or gross floor area dedicated to retail sales activity, are potentially eligible for the Program. The dollar amounts awarded to service businesses with a substantial retail component will be a function of the amount and nature of the retail component associated with the business. For service businesses with substantial retail components that were previously in operation, sales data shall accompany the application. For start-up new service businesses with substantial retail components, up to half of the maximum possible grant award (i.e., no more than \$10,000) of can be awarded with the start-up of the business. Notwithstanding the procedural

11. **Appeals.** If the application is rejected by the Economic and Community Development Committee, the applicant may resubmit the application after addressing the application deficiencies, or appeal the decision. If the applicant chooses to appeal the decision, a letter of appeal and supporting documentation must be sent to the Director of Community Development within ten (10) days of the rejection with said letter stating the reason for the appeal. The letter of appeal and supporting documents will then be forwarded to the Village Board. The Village Board will address the appeal at a Village Board meeting and make a final determination relative to the application. The denial of the appeal by the Village Board shall not preclude an applicant from submitting a new application for the Program. The Village Board has the right to amend or waive program terms and conditions to accommodate special circumstances.

12. **Business Plan.** Business plans should not exceed sixteen (16) double-spaced pages including exhibits and should include as many of the following as possible:
 - A. **Description of your business and industry**
 1. Your business
 2. The industry and its history

 - B. **Features and advantages of your product**
 1. Description
 2. Competitive advantage
 3. Proprietary position
 4. Future potential

 - C. **Market research and analysis**
 1. Definition of your customers and markets
 2. Market size and trends
 3. Competition

 - D. **Estimated market share and sales**
 1. Market plan
 2. Market strategy
 3. Pricing
 4. Sales tactics
 5. Service and warranty policies
 6. Advertising, public relations and promotions

 - E. **Design and development plans**
 1. Development status and tasks
 2. Difficulties and risks
 3. Costs

 - F. **Operation plans**
 1. Business location
 2. Facilities and improvements
 3. Strategy and plans

requirement that prohibits applications after a Certificate of Occupancy has been issued, a start-up new service business applicant who is granted half of an award has the ability to make a second application for an additional half of an award (i.e., no more than \$10,000) after a one year period of time, with the ECDC considering the retail sales tax figures as part of the second application.

- C. Resale stores and service businesses without a substantial retail component are not eligible for the Program.
6. **Fees.** Professional, architectural, engineering, and Village permit fees may be included in the total improvement costs. The Program will fund up to twenty-five percent (25%) or one thousand five hundred dollars (\$1500), whichever is less, of architectural rendering fees prior to Project approval of the improvements. All requests for architectural rendering fees prior to approval must have proper documentation and invoices. There are no application fees associated with the Program. However, if an applicant owes money to the Village all accounts must be brought current before any portion of the Grant is disbursed.
 7. **Main Street Organization.** Recipients of a Grant through the Program must maintain an active membership in the Lombard Town Centre Organization.
 8. **Conformance.** All improvements must conform to current building and zoning codes of the Village of Lombard. Any exterior improvements completed in the Lombard Downtown TIF District must conform to the *minimum design criteria* outlined in the "Downtown Lombard Improvement Plan" dated March 26, 1987. The business owner must maintain the property in compliance with all federal and local laws, ordinances, and regulations.
 9. **Administration.** The program will be jointly administered by the Department of Community Development and the Lombard Towne Centre. All Applications will be reviewed by the Economic and Community Development Committee. If the amount of the grant is less than ten thousand dollars (\$10,000) or less, the Economic and Community Development Committee has the authority to approve the grant. If the amount of the grant is greater than ten thousand dollars (\$10,000), the Economic and Community Development Committee will forward a recommendation to the Village Board, who will then determine whether the grant should be approved. A separate request for a building permit, an electrical permit and/or other permits and licenses shall be submitted to the Bureau of Inspectional Services.
 10. **Evaluation.** The Economic and Community Development Committee will review all applications on an as-needed basis. Proposals shall be evaluated on their viability, their contributions to the TIF districts retail mix, their support to the Village tax base and their completeness and eligibility. An applicant may be required to submit a personal financial statement. A successful business plan will be the one that conveys the most promising combination of financial feasibility, product and market knowledge, growth potential, job creation and financial need.

4. Labor force

G. Management Team

1. Key management personnel (credentials/resume)
2. Management assistance and training needs

H. Overall Schedule

1. Timing of critical activities before opening (e.g. company incorporation, signed lease, suppliers ordered, employees hired, opening date)
2. Timing of critical activities after opening, (e.g. expansion, product/service extension)

I. Critical risks and problems (how will you respond?)

1. Price cutting by competitors
2. Unfavorable industry-wide trends
3. Operating cost overestimates
4. Low sales
5. Difficulties obtaining inventory or supplies
6. Difficulty in obtaining credit
7. Lack of trained labor

J. Financial Plan

1. Profit and loss forecasts for 3 years (first year monthly)
2. Cash flow projections for 3 years
3. Performance balance sheet at start-up, semi-annually in the first year and at the end of 3 years

13. **Procedural Requirements.** Participants in the Program must accomplish the following steps:

- A. Candidates for the Retail Business Grant Program should contact the Department of Community Development or Lombard Town Centre for applications. Applications may be obtained from and submitted to either:

Dept. of Community Development
225 E. Wilson Avenue
Lombard, IL 60148
630.620.5749

Lombard Town Centre
102 W. St. Charles Rd., Ste 2
Lombard, IL 60148
630.620.8063

- B. Candidates shall submit the following documents

1. Application form;
2. Preliminary plans and preliminary cost estimates;
3. Business plan;
4. Details of signage and/or awning design; and
5. Proof of ownership, lease, and/or owners approval.

- C. After review by the Economic and Community Development Committee, and approval of the grant by either the Economic and Community Development Committee or the Village Board, depending upon the amount of the Grant, a "Certificate of Eligibility" will be forwarded to the owner/applicant.
- D. Upon receipt of the "Certificate of Eligibility", the owner and/or applicant shall proceed as follows:
 - 1. Submit final plans and cost estimates to the Department of Community Development and apply for proper building permits.
 - 2. Submit three (3) contractor bids for the work outlined in the application. Also, indicate the preferred contractor.
 - 3. Submit a fully executed Grant Agreement.
- E. Upon receipt of the items set forth above, a "Notice to Proceed" shall be forwarded to the owner/applicant by a representative of the Department of Community Development.
- F. Upon issuance of the Notice to Proceed, improvements and renovations may start after the required building permits have been issued. All necessary inspections should be coordinated through the Village's Bureau Inspectional Services (BIS).
- G. Prior to the issuance of any grant funds, the applicant must submit to the Village a completed Illinois sales tax release form.
- H. The applicant must submit an affidavit containing his or her sworn statement that he or she has paid at least one-half (1/2) of the approved cost of the Project. Original paid receipts from contracts amounting to at least one-half (1/2) of the approved Project cost must be attached to the affidavit. Upon verification of the affidavit and receipts, the Village will release fifty percent (50%) of the grant funds.
- I. Upon completion of the Project and after all final inspection from the Bureau of Inspectional Services have passed, the building will be inspected by a representative of the Community Development representative for conformance with the application.
- J. Upon determination of conformance, and receipt of the affidavit, the Village will process and disburse the remaining amount of the loan.
- K. All eligible expenditures will be matched by the Village of Lombard at 50% of costs as designated by an appropriate receipt or invoice. Overall costs may be submitted up to \$40,000 within twelve months after registering the business with the Village of Lombard or applicant approval of the Retail Business Grant Program if the business is already registered.
- L. All businesses must submit applications and complete review by the ECDC prior to the opening of the business in the TIF area. Once a Certificate of Occupancy

has been issued for a business, the business is no longer eligible to apply to the Retail Business Grant Program unless the application is for an expansion meeting the Program criteria. A new or expanding business either must open for business or have expanded their business within nine months from the date of grant approval, or all grant funds shall be forfeited.

For further information contact:

**Village of Lombard
Community Development Department
255 E. Wilson Ave., Lombard, IL 60148
(630) 620-5749**

or

**Lombard Town Centre
102 W. St. Charles Rd., Ste 2, Lombard, IL 60148
(630) 620-8063**