

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

This Agreement, entered into this 5th day of May, 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

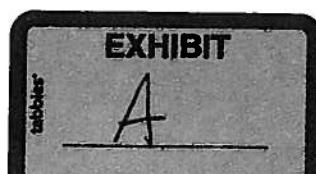
**WHEREAS**, this program will compliment and support the Village's plans to maintain a quality Central Business District; and

**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.

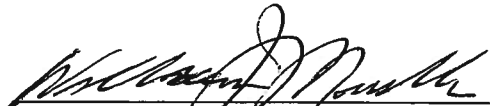
**SECTION 3:** The Business Owner will perform the following obligations in connection with the project;

- 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.

**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.

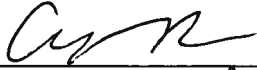
VILLAGE OF LOMBARD

  
By: Village President

  
Attest: Village Clerk

Downtown Retail Business Grant Agreement  
14 W. St. Charles Road  
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BUSINESS OWNER  
(Lessee)



By: Gary "Howard" Pany

Address 14 W. St. Charles

City, State Lombard, IL 60148

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PROPERTY OWNER

Ed O'Neill  
By: Ed O'Neill

Address 532 Hannah Ave

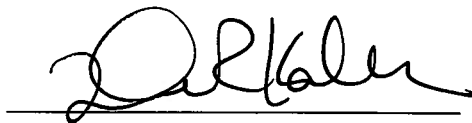
City, State Forest Park IL 60130

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 5<sup>th</sup> day of ~~2009~~ May 2011

Commission expires 2/18, 2015.



Notary Public



STATE OF ILLINOIS        )  
  )SS  
COUNTY OF DUPAGE     )

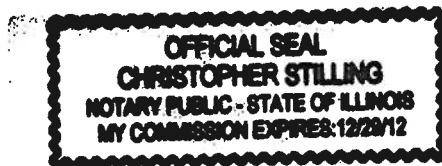
I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that Gan Pang, personally known to me to be the business owner of Cabinet Depot, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me 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 19<sup>th</sup> day of <sup>May, 2011</sup>~~2011~~.

Commission expires Dec. 29, 2012.



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 E J O'Neill, 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 May 27 ~~day~~ of 2011.

Commission expires December 29, 2012



Notary Public





Downtown Retail Business Grant Agreement  
14 W. St. Charles Road  
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**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: emineengp@yahoo.com
3. A. Property Owners Name: WAILEA HOLDINGS LLC (ED O'NEILL + GARRETT NIELSEN)  
B. Property Owners Address: 236 E. ST. CHARLES RD. LOMBARD, IL  
C. Property Owners Phone (daytime): (708) 415-5832 / 312-371-2191
3. Lease Terms: 2/1/2011 - 11/30/2012 \$1325.<sup>00</sup>/mo  
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: 2040 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
<b><u>Total</u></b>	<b>\$57,775</b>	<b>\$17,675</b>	<b>\$212,300</b>	<b>\$301,180</b>	<b>\$414,638</b>

**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

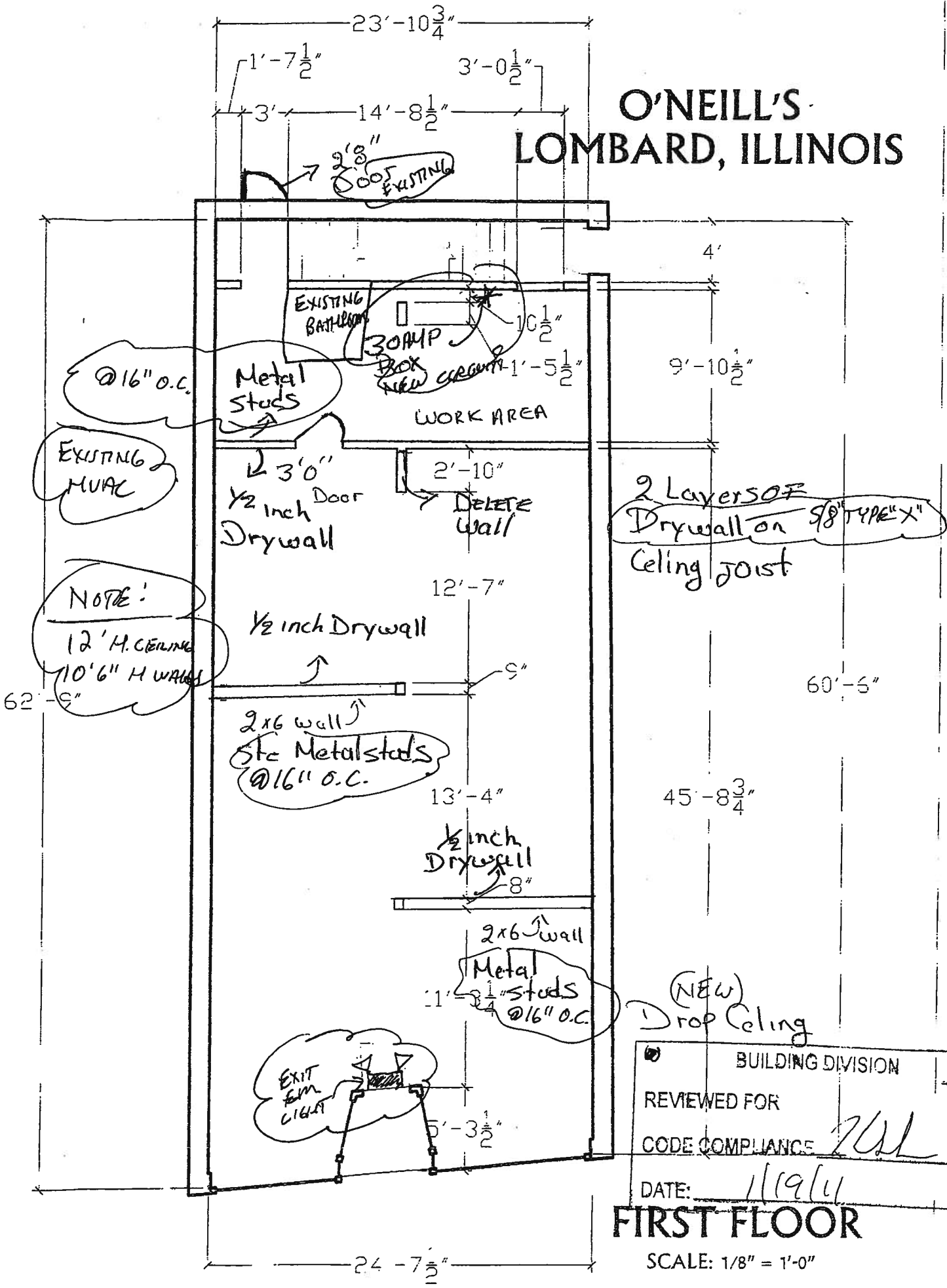
Improvement Budget - 14 W. St. Charles Road

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Framing / Carpentry	\$4,720.00
	\$850.00
Electrical	\$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



**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 1<sup>st</sup> 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 1<sup>st</sup>, 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.



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 alterations 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 or 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, statutes, 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 untenantable 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.

*GW*  
*UP*  
*20*  
~~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.

23. 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 in so, Tenant hereby releases Landlord from any and all liability.

24. 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) ESTOPPLE 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, if 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 24 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

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 it's services by the Tenant. And further, both the Landlord and Landlord's Exclusive Agent reserves the right to require written confirmation from the Tenant, that the Tenant is responsible for such compensation prior to commencing any communications or discussions with the Tenant's Representative.

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.

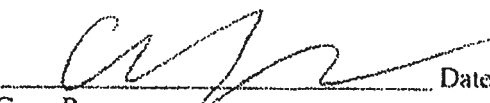
The undersigned waive notice of non-payment or non-performance by Tenant of any condition of said Lease. In the event of default by Tenant, the undersigned waives any right to require Landlord to proceed against Tenant or any security.

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 18<sup>th</sup> day of October, 2010

**GUARANTORS:**

  
Date: 10/18/10  
Pawel Raczka

  
Date: 10/18/10  
Gang Pang

## COMMERCIAL LEASE AGREEMENT ADDENDUM

Whereas Wailea Holdings, LLC (hereinafter Landlord) and Cabinet Depot, Inc. (hereinafter Tenant) have entered into a Commercial Lease Agreement effective March 1, 2010, for the lease of the premises commonly known as 14 W. St. Charles Rd, 1<sup>st</sup> Floor, Lombard Ill;

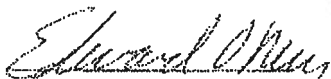
Whereas the Landlord has made and continues to make improvements to the premises for the benefit of Tenant;

Whereas Landlord may be eligible for a municipal grant for said improvements;

The parties hereby further agree as follows:

1. Tenant shall:
  - A. prepare a professional business plan;
  - B. cooperate with and assist Landlord in a timely manner to compile, prepare and execute any documents needed and perform any actions necessary to complete and submit the grant application;
  - C. Cause signage consistent with requirements of grant to be installed at the premises.
  
2. Upon receipt of the grant funding, Landlord shall:
  - A. Forgive one month rent;
  - B. Make storage space in the basement available to Tenant;
  - C. Reimburse Tenant 50% of cost of signage up to \$1250.00.
  
3. Nothing contained in this Addendum shall be construed to change any other term or condition of the Commercial Lease Agreement.

Wailea Holdings, Inc.



Cabinet Depot, Inc.

