

**To:** President and Members of the Munster Redevelopment Commission  
**From:** David F. Shafer, Clerk-Treasurer   
**Date:** February 8, 2016  
**Re:** Lease Approval

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A number of leases were approved by the Munster Redevelopment Commission last month. There were modifications to two of those leases and are presented to the Commission for approval.

Viewpoint Window Works will be renting space at 9366 and 9368 Calumet Avenue at a cost of \$664.42 for the month of January 2016 and continuing on a month-to-month basis at \$1,214.42/month. Pinder Industries will be renting space at 9370 and 9372 Calumet Avenue at a revised rent of \$1,163.38/month on a month-to-month basis.

**Recommendation:**

By motion and voice vote, approve the lease extensions under New Business.

**TOWN OF MUNSTER FOR ITS REDEVELOPMENT COMMISSION**

**LEASE RENTAL AGREEMENT**

THIS IS AN AGREEMENT, BY and between the Town of Munster for its Redevelopment Commission, herein referred to as "Lessor," and SGM Delta Technologies owner Srdjan (John) Malisic, CEO/President hereinafter referred to as "Lessee."

Home Address of Lessee: 10819 D. Avenue C, Chicago, IL 60617

Contact for Lessee: Home 773-507-9612                      Cell: 773-507-6452

Work Phone: 219-801-1016

**1. LOCATION:** Lessor does hereby lease to Lessee office and warehouse space located in Lessor's premises (total Lessor's space designated herein as "Premises") located at 9374 Calumet Avenue, Munster, Indiana 46321.

**2. TERM AND USE:** This lease shall be on a month by month basis commencing on March 1, 2016. Rent payments will begin on \_\_\_\_\_.

*The use of the property shall be for an electronics type business.*

The Town reserves the right to cancel this lease prior to its expiration date upon ninety (30) days prior written notice to the Lessee either hand-delivered, by facsimile, or by certified mail, return receipt requested.

***Premature Terminations*** – Lessee may buyout of this lease if the following terms are met: Pay all back rent owed.

**3. RENTAL:**            Rental payments of \$703.50 per month begin \_\_\_\_\_ Monthly installments shall be due and payable on the first day of each month. Successive payments shall be received on the due date at the administrative offices of the Lessor or at such other times and places as the Lessor may designate in writing. There will be a late charge of Fifty Dollars (\$50.00) on rents paid after the seventh (7<sup>th</sup>) of each month. Any rent check that is deemed insufficient funds will be charged the bank return fee and a late charge of no less than Twenty-Five Dollars (\$25.00). A check which has not cleared the Lessor's bank by the 7<sup>th</sup> of the month will be considered late.

**4. SECURITY DEPOSIT:** The Lessee has on deposit with the Lessor the sum of Dollars (\$703.50) to secure Lessee's performance of Lessee's obligations and to cover all damage, breakage or abuse of the Premises during Lessee's occupancy. Said amount, less unpaid rent, charges and costs incurred by Lessor in remedying Lessee's breach or to repair or restore the Premises, shall be refunded within sixty (60) days after completion of lease term.

**5. MAINTENANCE AND REPAIR:** Lessor shall maintain and keep in good repair all exterior portions of the leased building and grounds including, without limitation, the roadways to and from such buildings and all major repairs to the heating and electrical systems. Lessee shall maintain and keep in good repair all interior portions of the leased premises including

windows, floors, doors, minor repairs and adjustments and service to the heating system, plumbing system, sewer system, and electrical wiring up to Two Hundred Dollars (\$200.00) per item. Lessee shall further maintain the interior and exterior free from obnoxious odors, rubbish, debris or other structural changes without prior written approval of Lessor.

**6. LAWS AND ORDINANCES:** Lessee shall comply with and obey all laws, ordinances, rules, regulations and requirements of all regularly constituted authorities, and such reasonable rules and regulations of Lessor, in any way affecting Lessee's occupancy, said leased premises, or the use thereof, or this lease. Lessee shall not permit or use, as determined by Lessor, the use of said leased premises for any hazardous, illegal or immoral purpose.

**7. UTILITIES:** Lessee shall pay in addition to rent, all charges for water, sprinkler service, special waste removal, electronic security protection, electric current, steam, gas, steam, sewers, telephone or, without limitation, any other services used during the full term of this lease. Possession (keys) to the property will not be awarded until proof is tendered to Lessor that water, gas and electric utilities are in the name of the Lessee. If any such service is not separately metered by or for each Lessee but rather is furnished through one meter, the Lessee shall pay a pro rata share of any charge based on his square footage as a % of whole. Lessor shall provide without charge snow removal and lawn and shrubbery care during the term of this lease. Each tenant is responsible for snow and ice removal from the sidewalks located in front of Lessee premises.

**8. POSSESSION:** Lessor shall not be liable for failure to give possession of said leased premises upon commencement date by reason of the fact that said leased premises are not ready for occupancy, or due to a prior tenant wrongfully holding over or any other person wrongfully in possession or for any other reason. In such event the rent shall not commence until possession is given or is available, and the term shall be extended to coincide with length of original lease.

**9. ENTRY OF LESSOR:** Lessee shall permit Lessor and the agents of the Lessor to enter upon said leased premises **with 24 hours notice**, at all reasonable times to examine condition thereof and conditions of Lessee's occupancy or to make such repairs, additions or alterations therein as Lessor may deem necessary, or to examine the same.

**10. ADVERTISING SIGNS:** Lessee may erect and maintain a sign or signs in or upon said premises in accordance with the Town of Munster Code. Lessee shall repair and maintain all damages caused by erection or removal of any such sign or signs by the Lessee. Lessee must get approval from the Town of Munster's Building Department for any signage erected on the leased building or leased premises.

**11. DISCLAIMER OF LIABILITY:** Lessor shall not be liable for any loss or damage occasioned by failure to keep said premises in repair and free from refuse, obnoxious odors, vermin, or other foreign matter; defective wiring, plumbing, gas, steam; sewer, water or other pipes or fixtures; the bursting, leaking, running or closing of the above pipes or fixtures; any defect or malfunction of heating equipment, cistern tank, boiler, wash stand, closet and waste pipe, accidental discharge of sprinkler system; water, snow and ice or other foreign matter being upon or coming through the roof, skylights, trapdoors, windows and otherwise; acts of negligence or failure to comply with lease covenants by other tenants of Lessor; acts of negligence of guests, invitees and employees of Lessee or other occupants of said premises; acts or negligence of any owner or occupants of adjacent or contiguous property of their employees; theft, acts of God; and acts of negligence of any persons not in the employ of Lessor.

**12. CONTINUED LIABILITY AFTER PREMATURE TERMINATION:** Termination of the lease, if properly conducted under the provisions of paragraph 2, will not be considered as a premature termination. Otherwise no termination of this Lease and/or the tenancy created by it, and repossession of the premises because of Lessee's default, shall relieve the Lessee of his or her liability and obligation under this Lease, including but not limited to the obligation to pay rent until termination of this Lease, less the proceeds of any re-letting of the premises (after deducting all actual cost and expenses of the re-letting including actual labor expenses) made by Lessor. The re-letting of the premises by Lessor is authorized and Lessor agrees to use reasonable efforts to so re-let. If Lessee abandons or vacates the premises, the same may be re-let by the Lessor for any rent and on any terms as Lessor may see fit; and if a sufficient sum is not thereafter realized, after paying the expenses of re-letting and collection, to satisfy the rent reserved by this Lease, the Lessee agrees to satisfy all deficiencies. Further, in the event that Lessee is in default of this Lease, Lessee expressly agrees to pay all court costs, collection costs, and/or reasonable attorney fees necessarily incurred by the Lessor by reason of any proceedings commenced by the Lessor to compel Lessee's compliance with the terms and conditions of the Lease; any court costs, collection costs, and/or attorney fees shall be paid as allowed by Indiana case law, statutes, and court rules.

**13. LIABILITY INSURANCE COVERAGE:** Lessee hereby agrees that it will, throughout the term of the lease and any extension thereof, at its own expense, maintain public liability insurance covering the premises for the protection of Lessor and Lessee as their interests may appear, with a limit of liability for property damage at not less than One Hundred Thousand Dollars (\$100,000) and with a limit of liability for bodily injury to or death of one person in the amount not less than Five Hundred Thousand Dollars (\$500,000), and subject to that limitation for every person injured and killed, a total limitation for all claims arising out of any one accident resulting in bodily injury to or death of more than one person of not less than One Million Dollars (\$1,000,000). Lessee shall provide the Lessor with certificate or certificates evidencing such coverage, that Lessee and Lessor are covered by such policy or policies as "named insured," as their interests may appear and that such policy or policies are non-cancelable or subject to material change without ten (10) days prior written notice to Lessor. Lessee shall indemnify and save and hold the Lessor harmless for all liabilities, charges and expenses (including counsel fees), and costs on account of claims for damage and otherwise and or suits for or by reason of any injury or injuries to any person or property of any kind whatsoever, whether the person or the property of the Lessee, its agent or employee or third persons, from any cause or causes whatsoever while in or upon or in the proximity to said premises or any part thereof occasioned by the occupancy, use or failure to maintain said premises or due to any breach of a covenant by Lessee except for such damage, injury or death caused by the sole negligence of the Lessor.

**14. OTHER INSURANCE COVERAGE:** The Lessee shall be specifically responsible for insuring the contents of the building including, but not limited, to equipment, machinery, inventory, furnishings and any other contents in the leased premises of the Lessee. The Lessor shall pay for the cost of insuring the building and the Lessee shall pay for the costs of insuring the contents. However, it is specifically agreed that in event that a premium for the insurance of the building is increased due to hazardous nature of the activities engaged by the Lessee, the additional premium charged to Lessor shall be payable by the Lessee ten (10) days after submission of billing by the Lessor for said increased premium. If the Lessor's costs of liability, fire and related insurance should increase by more than five percent (5%) in any calendar year,

then Lessee agrees to pay a pro-rated share of any increase in insurance over five percent (5%) annually, based on Lessee's leased square footage as a percentage of the whole. This assessment of insurance increase will be divided over the term of the Lease and shall be payable within 20 days after invoice.

**15. ASSIGNMENT:** Lessee shall not assign or transfer this lease, nor sublet leased premises or any part of the same without prior written approval of the Lessor, which approval shall not be unreasonably withheld. On the event that the Lessor grants written approval, the Lessee shall remain fully liable under the terms of this lease.

**16. DEFAULT PROVISIONS:** If default is made in the due and punctual payment of any rent, utilities, maintenance or other obligation under this lease, or in the prompt performance or compliance with any of the terms or conditions under this lease, then Lessor, after written notice to the Lessee specifying the act or acts of default and stating the lease shall expire and terminate on the date specified in the notice, shall terminate all rights of the Lessee. No expiration or termination of the lease shall relieve the Lessee of his/her/its liability and obligations under the lease.

**17. TERMINATION:** At termination of this lease, the premises shall be repaired and cleaned. If not repaired and cleaned, Lessee will be charged by Lessor the amount Lessor pays to have the premises cleaned and repaired.

If Lessee shall fail to pay any rent or other sums to Lessor when same is due and payable under the terms of this lease, or if Lessee shall fail to perform any other duty or obligation imposed upon it by this lease and such other failed duty resulting in default shall continue for a period of five (5) days after written notice thereof has been given to Lessee by Lessor, the Lessee's right to possession shall be immediately forfeited and terminated without further notice.

If Lessee shall make assignment for the benefit of creditors, or if there shall be commencement of a proceeding in bankruptcy or re-organization, or if Lessee shall declare a bankruptcy or to be insolvent, or if execution shall issue against it or a Receiver shall be appointed for the Lessee, or if the interest of the Lessee herein shall be sold under execution or other legal process, and if Lessee shall fail to terminate such proceedings and action within thirty (30) days of mailing of written notice thereof by Lessor, this lease shall terminate.

Upon such termination of occupancy or this lease, Lessor shall have the right to enter said premises, and is hereby given the right to summarily re-enter upon and repossess itself of said leased premises, dispossessing said Lessee and expelling Lessee therefrom and to use as much force as necessary for that purpose, without thereby incurring any liability to said premises and Lessee. No such termination of this lease, nor taking and recovering possession of the premises, shall deprive the Lessor of any action, right or remedy against Lessee for possession, for rent, or for damage, nor shall any distress or suit for rent or damages prevent Lessor from proceeding to recover possession on a breach of any of the terms and conditions thereof. Lessee shall, without any previous demand thereof, pay sums at the times and in a manner above provided, and in case of non-payment of said sums, or in case said leased premises shall be deserted or vacated, Lessor may enter the same, either by force or otherwise, without being liable to any prosecution or action thereof, and may relet the said premises as agent of the Lessee, for any unexpired portion of the term and receive rent thereof. Lessee also agrees that all property on said premises, and all property removed therefrom for thirty (30) days after such removal, shall be liable for distress for

rent and for such sums, and for all costs of distress, including attorneys' fees to Lessor. During any default the rent recited herein shall be paid by Lessee and accepted by Lessor without any waiver of rights or causes of action.

Lessee agrees to pay as additional rent all attorneys' fees and other expenses incurred by Lessor in enforcing any obligations under this lease.

**18. HOLDOVER:** Lessee shall not holdover without the express consent of the Lessor. Any holdover contemplated herein shall be a month to month tenancy and not for any other term whatsoever and may be terminated by Lessor giving Lessee ten (10) days written notice thereof. Should Lessee without the express consent of the Lessor continue to hold and occupy said leased premises after notice of default or after expiration of the term of this lease, then in such event it is agreed that the rent shall be double the monthly amount presently stated in this lease. Lessee shall pay such amount so established thereof and Lessor may accept such amount and such acceptance will not constitute a waiver by Lessor of any rights it may possess under the law.

**19. ACCEPTANCE OF PREMISES:** Lessee has examined, and does accept said premises in the condition they are in at the commencement of this lease, subject to all defects therein, and releases Lessor from and Lessee accepts any damage that may be in any way occasioned thereby. At all times Lessee shall indemnify and save Lessor, said premises and the improvements thereon harmless from all liens and all liability in any way arising out of the Lessee's use, or the condition of said premises or of the improvements thereon.

**20. DESTRUCTION OF THE PREMISES:** If during the term of the lease, or of any extension thereof, the aforesaid buildings, or any part thereof, shall be so damaged by fire or lack of proper fire protection, the elements or causes other than Lessee's negligence, as to render the leased space partially unfit for use by Lessee for the intended purpose of this lease and shall be capable of being repaired within a reasonable time, Lessor may but is not required to undertake repair within a reasonable time of same and during the term that the building is untenable, Lessee's rent shall be abated pro-rata to the extent of the portion destroyed. If, during said term, or any extensions thereof, the aforesaid building, or any part thereof, shall be destroyed or so damaged by fire, the elements or other causes, other than Lessee's negligence, as to render said premises totally unfit for use by Lessee for the intended purpose of this lease, this lease shall not be terminated, but Lessor shall have the right or option to rebuild and provide the same amount and kind of space herein leased in the building as rebuilt. Such option to rebuild shall be exercised by Lessor by giving written notice to Lessee of its election to rebuild within thirty (30) days after leased premises are rendered unfit for use by Lessee. In event of the exercise of this option, Lessor shall promptly undertake reconstruction, Lessee's rent shall abate according to the extent that the Lessee is deprived of the use of said leased premises. Reconstruction shall be completed in a reasonable and responsible time. If Lessor does not exercise said option to rebuild, the lease shall terminate.

If the aforesaid buildings are partially or wholly untenable due to Lessee's negligence or breach of covenant herein, Lessee shall be liable to Lessor for all rents herein.

In the event that the entire building or any part thereof or the land on which it is located or any part thereof or Lessee's leasehold interest or any part thereof should at any time be condemned or otherwise taken by public authority, the entire award or damages shall be paid to Lessor, and Lessee may, at its option, terminate this lease without liability to Lessee for the

damage to unexpired term of leasehold. Lessor shall not be liable for any interruptions to Lessee's use due to any casualty or act of God.

**21. USE OF SAID PREMISES:** Lessee shall comply with all rules and regulations established by Lessor for all tenants in the Munster Business Complex. Lessor reserves the right to mark and identify parking spaces for Lessee, its employees and customers. Lessee is allowed a preference for the parking spaces directly in front of the unit being leased. Lessee shall comply with all parking regulations. All trucks and vehicles over twenty (20) feet in length shall be parked to the rear of the building on the west side of the property. All delivery trucks must park parallel to the building and not block both lanes of the driveway.

**22. SUBORDINATION:** It is understood and agreed between the parties hereto that this lease may be subject to and is hereby subordinated to all present and future mortgages, deeds of trust and other encumbrances affecting said leased premises or the property of which they are part. The Lessee agrees to execute, at no expense to Lessor, any instrument which may be deemed necessary or desirable by Lessor to further effect the subordination of the lease to this mortgage, deed of trust or encumbrance.

**23. NOTICES:** Any notice required to be given herein shall be in writing and shall be deemed to have been served and given when mailed by registered or certified United States mail to the addresses shown below. Should Landlord be required to send correspondence via Certified Mail to Tenant due to Tenant's negligence on any part, Tenant will be charged a minimum of \$10.00 for each certified correspondence.

**24. REAL ESTATE TAXES AND ASSESSMENTS:** Landlord shall pay when due all real estate taxes and assessments upon the real estate up to and including a five percent (5%) annual increase. Landlord shall not be responsible for, nor pay, any taxes assessed on personal property situated inside the Leased Premises. If the assessed value of Leased Premises should increase due to improvements installed by Tenant, then Tenant shall be responsible for and pay all of such increase in taxes to building. This increase will be pro-rated over the term of the Lease on a monthly basis. Also, if the real estate taxes should increase more than five percent (5%) in any one calendar year, then each Tenant shall pay a pro-rated share of any increase over five percent (5%), based on each Tenant's leased square footage as related to the whole. This assessment of tax increase will be divided over the term of the Lease and payable with monthly rent.

**IN WITNESS WHEREOF**, the parties have caused the Agreement to be executed by their duly authorized representatives on this \_\_\_\_\_ day of \_\_\_\_\_ 2016.

Address of Lessor:  
Town of Munster  
1005 Ridge Road  
Munster, IN 46321

Town of Munster, Indiana, for its  
Redevelopment Commission

By: \_\_\_\_\_  
Dustin Anderson  
Town Manager

Lessee:

Print Name: \_\_\_\_\_  
Srdjan Malisic

Signature: \_\_\_\_\_

**CONTINUING GUARANTEE**

In consideration of the grant of lease to the Lessee named above, the undersigned (jointly and severally, if more than one) unconditionally guarantees the payment and performance of all the terms, conditions and provisions of the above lease to the Town of Munster Redevelopment Commission.

\_\_\_\_\_  
Srdjan Malisic

STATE OF INDIANA        )  
                                  ) SS:  
COUNTY OF LAKE        )

Before me, the undersigned, a Notary Public in and for the State of Indiana, County of Lake personally appeared \_\_\_\_\_ and \_\_\_\_\_ and acknowledged his/her execution of the foregoing document on this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_, for the uses and purposes set forth therein.

\_\_\_\_\_  
Notary Public

\_\_\_\_\_  
County of Residence

Commission Expires: \_\_\_\_\_

TFD/pjt/redevelopment/munsterbusinessscomplex/2016 lease agreement SGM Delta Tech/n:/