Special Meeting - Senior Services Commission Agenda

Village Hall
1225 Cedar Lane Northbrook, IL 60062
Wednesday, August 27, 2025

7:00 PM

1. ROLL CALL

2. NEW BUSINESS

1. Review and Discuss Crestwood Senior Living Management Company Proposals
   The current Crestwood Management Agreement with Realty & Mortgage will expire on October 31, 2025. Village staff prepared an RFP for property management services and evaluated the proposals. This agenda item for the Senior Services Commission is for informational and discussion purposes, as well as obtain a consensus with village staff for a recommendation to the Village Board.
2. Review and Discuss Draft for Crestwood Management Agreement
   In conjunction with the staff recommendation for property management services for Crestwood Place, a signed management/professional services agreement must be included as part of the agenda item for the Village Board. This Agreement is typically pre-negotiated and signed by the vendor prior to the Board taking action to approve the agenda item. After Board action, assuming the recommendation is approved, the Village Manager would then execute the Agreement.

3. PUBLIC COMMENT TIME

This agenda item is reserved for members of the public who desire to address the Public Body on a topic that is within purview and jurisdiction of the Public Body, but that is not listed in another location on the agenda. If you would like to speak about a matter that is listed on the agenda, we ask that you wait until that agenda item is called, and we will give you an opportunity to speak then. Anyone desiring to speak should fill out a written speaker form (located in the back of the meeting room) and submit it to the Staff Liaison. “Public Comment Time” is not a forum for open dialogue or engagement with members of the Public Body. Rather, it is intended as an opportunity for you to make comments to the Public Body. While the Public Body will not immediately respond to public comments at this meeting, or engage in a back and forth discussion during the meeting, please be assured that the Public Body is actively listening to all comments, thoughts, and suggestions. All speakers will be limited to a total of three minutes. We request that everyone be respectful, civil, and non-repetitive; and we ask that members of the audience refrain from applauding or making any other comments during or after any speaker. Thank you for your understanding and taking the time to contribute to the success of our community.

4. ADJOURN

The Village of Northbrook is subject to the requirements of the Americans with Disabilities Act of 1990. Individuals with disabilities who plan to attend this meeting and who require certain accommodations in order to allow them to observe or participate in this meeting, or who have questions regarding the accessibility of the meeting or facilities, are requested to promptly contact the Village of Northbrook at (847) 272-5050, or the Illinois Relay Center at (800) 526-0844, to allow the Village of Northbrook to make reasonable accommodations for those persons.

MEMORANDUM

To: Senior Services Commission Chairman Fred Rosenberg
From: CFO Drazner
Date: 2025-08-27
Subject: Review and Discuss Crestwood Senior Living Management Company Proposals

Overview
The current Crestwood Management Agreement with Realty & Mortgage will expire on October 31, 2025. Village staff prepared an RFP for property management services and evaluated the proposals. This agenda item for the Senior Services Commission is for informational and discussion purposes, as well as obtain a consensus with village staff for a recommendation to the Village Board.

Fiscal Impact
N/A

Recommendation
Discussion only.

Background
Village staff prepared a Request for Proposal for Crestwood management services and received a total of four proposals. Two of the four have been excluded from further consideration due to their significantly higher proposed management fees compared to the current fee. The remaining two candidates include the incumbent firm, Realty & Mortgage (R&M) and the Housing Opportunity Development Corporation (HODC).

HODC is headquartered in Skokie and has been in existence for approximately 25 years. This non-profit corporation currently manages about 600 units of affordable housing for seniors, families, and individuals with disabilities throughout the northern suburbs. In addition, they have proposed a highly competitive management fee based on a percentage of gross rents which is extremely competitive to the fixed monthly fee proposed by the incumbent.

Included herein is the proposal submitted by HODC for Commission review. For comparison and reference purposes, this agenda item also contains the R&M proposal. Village staff performed reference checks for HODC and all feedback received was extremely positive in nature.

Based on a thorough evaluation of the proposals and other due diligence, village staff is recommending bringing forth the HODC proposal and corresponding management agreement

to the Village Board on September 9th for consideration to approve.

MEMORANDUM

To: Senior Services Commission Chairman Fred Rosenberg
From: CFO Drazner
Date: 2025-08-27
Subject: Review and Discuss Draft for Crestwood Management Agreement

Overview
In conjunction with the staff recommendation for property management services for Crestwood Place, a signed management/professional services agreement must be included as part of the agenda item for the Village Board. This Agreement is typically pre-negotiated and signed by the vendor prior to the Board taking action to approve the agenda item. After Board action, assuming the recommendation is approved, the Village Manager would then execute the Agreement.

Fiscal Impact
N/A

Recommendation
For review and discussion purposes only.

Background
The professional services agreement contains both standard language used in most village agreements along with more specific information relevant to the management of Crestwood Place. Some of the more important sections to focus on during review of the Agreement include:

1) Section 3- Budgetary process for Crestwood Place
2) Section 4- Collection of rents
3) Section 5- Rental process, including a paragraph about parameters for affordable housing
4) Section 15- Term of agreement
5) Exhibit A- Fees for service (will be populated pursuant to the proposed fees)

There are also numerous paragraphs/sections in this draft Agreement pertaining to expenditures and disbursement procedures as expected for this type of Agreement. In general, all expenditures incurred by the Manager for operating Crestwood Place will either be disbursed from a Village-owned bank account or billed back to the Village by the property manager.

Management Agreement Draft

ATTACHMENT A

MANAGEMENT AGREEMENT
CRESTWOOD SENIOR HOUSING
APARTMENT COMPLEX

THIS AGREEMENT made as of the __ day of August, 2025 by and between the VILLAGE OF NORTHBROOK, Illinois, an Illinois municipal corporation, having its principal office at 1225 Cedar Lane, Northbrook, Illinois (the *"Village"),* and_____, an Illinois corporation, having its principal office at _____ (the ***"Manager").***

WITNESS ETH

WHEREAS, the Village is the owner of the property and senior housing complex located at 1000 Waukegan Road, Northbrook, Illinois ***("Crestwood Place");*** and

WHEREAS, the Village desires to retain a management company to rent, operate, manage and maintain Crestwood Place;

WHEREAS, the Manager is a professionally licensed and experienced property manager in the State of Illinois;

NOW, THEREFORE, for and in consideration of the terms, conditions and covenants hereinafter set forth, the parties hereto do hereby mutually agree as follows:

1. Appointment and Acceptance. The Village hereby employs and appoints the Manager as the sole and exclusive agent for renting and managing Crestwood Place Apartments on the terms and conditions as provided herein. The Manager hereby accepts its appointment and employment as the sole and exclusive renting and management firm for Crestwood Place and agrees, subject to the terms and conditions set out below, to furnish its services to the Village for the rental, operation, management, and maintenance of Crestwood Place; provided however Manager reserves the right to utilize an entity controlled 100% by Manager or one of its owners ("***Affiliates")*** to be the employer of the employees at Crestwood Place so long as that Affiliate agrees to be fully bound by the terms of this Agreement.

2. Compliance with Laws.

(a) In the performance of all of its duties, responsibilities and services under this Agreement, the Manager shall abide by and comply with all applicable federal, state, county and municipal laws, ordinances, regulations, notices and court administrative orders.

(b) Without limitation of the foregoing, the Manager shall comply with the provisions of all federal, state, and local laws prohibiting discrimination on the grounds of race, color, religion, sex, national origin, ancestry, age, order of protection status, marital status, physical or mental disability, military status, sexual orientation, or unfavorable discharge from military service, including the Illinois

Human Rights Act, Title VI of the Civil Rights Act of 1964; Section 3 of the Housing and Urban Development Act of 1968;

Executive Orders 11063 and 11246; Title VIII of the Civil Rights Act of I 968; and all amendments of, and all rules, regulations and requirements issued pursuant to, any of the foregoing.

(c) Without limitation of the foregoing, the Manager shall take such action as may be necessary to assure that the Village and the Manager are at all times in compliance with wage, hour, health, safety, and other federal, state and local laws, ordinances, regulations, notices and court or administrative orders relating to the Manager's employees who furnish services in connection with Crestwood Place; provided, however, that nothing in this subparagraph shall require the Manager to make any expenditure of funds for any necessary modification or alteration of the buildings or grounds of Crestwood Place.

(d) To the extent that there exists a conflict between any of the foregoing provisions, the Manager shall, unless otherwise directed in writing by the Village, abide by the following priority system:

(I) Laws, statutes, orders and provisions of the United States (11***US Laws.,).***

(2) Laws, statutes, orders and provisions of the State of Illinois ***("State Laws***11).

(3) Laws, ordinances, regulations and orders of the Village of Northbrook, Illinois (“***Village Laws"*** and with the US Laws and State Laws, the “Governmental Laws”).

(4) Provisions of this Agreement.

Whenever the Manager becomes aware of any such conflict, it shall notify the Village in writing, giving full particulars of the conflict and the Manager's intended course of action.

3. Budget. No later than the tenth day of December of each year, the Manager shall prepare and submit to the Village an operating budget setting forth an itemized statement of the anticipated receipts and disbursements for the next fiscal year of the Village (which fiscal year begins on the first day of May) based upon the then current schedule of monthly rents, and taking into account the general condition of Crestwood Place; anticipated capital expenditures, if any, to the same; anticipated normal and extraordinary increases and decreases in operating expenses and anticipated rental rate adjustments, if any. Such budget shall be accompanied by a statement from the Manager outlining a plan of operation of Crestwood Place for the next fiscal year. Upon acceptance and adoption of the budget and plan by the Village, no expenses shall be incurred or commitments made by the Manager in connection with the maintenance and operation of Crestwood Place in excess of the amounts allocated to the various classifications of expenses in the approved budget without the

prior written consent of the Village, except that such limitation and restriction shall not be applicable (i) to such utility expenses as fuel, electricity, water and sewer which are subject to rate changes over which the Manager has no control (ii) insurance premiums, (iii) costs to comply with changes in existing Governmental Laws or new

Governmental Laws and (iv) emergency repairs as defined in paragraph 9 of this Agreement.

4. Collection of Rents. The Manager shall collect all monthly rents, charges, fees and assessments due from tenants; all rents and/or fees due from users of parking spaces and from users or lessees of other non dwelling facilities in the property; and all funds due from concessionaires in consequence of the authorized operation of facilities in Crestwood Place. Immediately upon the collection of such funds, the Manager shall, unless directed otherwise by the Village Manager or designee, deposit the same into a bank account in the name of the Village at a bank approved by the Village. Said bank account shall be created in such manner that both the Manager and the Village shall have the authority to make deposits thereto and shall receive all statements of account and other information thereof but the Village shall have the sole and exclusive authority to make withdrawals therefrom.

5. Rentals and Operation of Crestwood Place. The Manager shall offer for rent and shall rent all dwelling units and other rental facilities in Crestwood Place and use its best efforts to keep the same fully rented. Such rental activity shall, at all times, be in accordance with the budget prepared pursuant to paragraph 3 of this Agreement, with the provisions of this Agreement, and with any directives of the Village not inconsistent with this Agreement. In connection with such activities, the following provisions shall apply:

a. The Manager shall take and process applications for rental of the units in Crestwood Place and shall maintain a current list of acceptable and eligible prospective tenants. In so doing, the Manager shall strictly abide by the tenant eligibility standards and criteria established by the Village and with such additional standards and criteria, if any, as may from time to time be specified by the Village so long as the same are consistent with the laws, ordinances, regulations and terms referred to under subparagraphs (a) through (c) of paragraph 2 above and with the provisions of this Agreement. Tenant eligibility standards shall be specified in the Crestwood Place Tenant Selection Plan, as amended from time to time.

b. The Manager shall ensure that at all times at least twenty percent (20%) of the units in Crestwood Place are occupied by households who at initial occupancy were households whose total household income was less than or equal to 80% of area median income (AMI) NOT adjusted for household size. The AMI will be calculated based on the Chicago-Naperville-Elgin, IL-IN-WI Metropolitan Statistical Area, as established and defined in the annual schedule published by the Secretary of Housing and Urban Development. Income shall be determined in accordance with Section 8 of the U.S. Housing Act of 1937. The Manager shall, from time to time, as requested by the Village, prepare a certificate stating the percentage of units of Crestwood Place which were occupied by such households during the preceding month. The Village represents that Crestwood Place complies with the

requirements of this clause (b) as of the date of this Agreement.

c. The Manager shall maintain regular office hours on the Crestwood Place premises, including staffing the on-premises office from 9 a.m. to 5 p.m.

d. The Manager shall receive, consider and record, in systematic fashion, all complaints, comments and service requests by tenants and occupants in Crestwood Place and shall use best efforts to provide a timely and competent response to the same. In that connection, the Manager shall maintain a log showing (a) the date and time each complaint, comment or request is received, (b) a summary of each complaint, comment or request, and (c) the date and manner of disposition of each complaint, comment or request. This log shall be available for inspection by the Village at all times.

e. The Manager shall be responsible for all those services, including social activity services, in connection with operation of Crestwood Place. The Manager shall propose to the Village social, educational, recreational, and enrichment programming recommendations based on suggestions from the tenants.

f. The Manager shall, within the budget constraints established pursuant to paragraph 3 of this Agreement, carry out such marketing and advertising activities as may be necessary to fully rent Crestwood Place. All such activities shall comply with and be consistent with the provisions of this Agreement.

g. The Manager shall schedule move-ins and move outs of the apartment units in Crestwood Place so that there shall be a minimum of inconvenience to other tenants and occupants.

h. The Manager shall collect and deposit all tenants' security deposits and in so doing shall comply with all applicable laws concerning collection and retention of security deposits. Security deposits shall, unless directed otherwise by the Village Manager or designee, be deposited into an interest- bearing bank account, separate and apart from all other accounts and funds, at a bank approved by the Village. Said bank account shall be created in such a way that both the Manager and the Village shall have the authority to make deposits thereto and shall receive all statements of account and other information thereof but the Village shall have the sole and exclusive authority to make withdrawals therefrom. Security deposits and statutorily required interest accrued thereon shall be returned to tenants by the Manager from the Manager's operating bank account established pursuant to paragraph 11 of this Agreement and the Manager shall be reimbursed for the same in accordance with the procedure set out in paragraph 11 of this Agreement.

i. The Manager shall perform all other actions in connection with the renting of the Property as may from time to time be requested by the Village.

6. Enforcement of Leases. The Manager shall use best efforts to secure full compliance by each tenant with the terms of his or her lease. The Manager shall see that all tenants are informed with respect to such rules, regulations and notices as may be promulgated by the Village or the Manager with regard to tenant conduct or the

management of Crestwood Place. Voluntary compliance shall be emphasized and involuntary termination of tenancy shall be avoided to the maximum extent, consistent with sound management of Crestwood Place. Nevertheless, and subject to established principles of law, the Manager may terminate any tenancy when, in the Manager's judgement, sufficient cause for such termination occurs under the terms of the tenant's lease, including, but not limited to, nonpayment of rent. For this purpose, the Manager is authorized to consult with legal counsel to be designated by the Village so as to bring actions for eviction; execute notices to vacate; and prepare judicial pleadings incident to the actions; provided, however, the Manager shall consult with and obtain and receive written approval from the Village before instituting any such action, shall keep the Village informed, on a continuous basis, of such action, and shall follow such instructions as the Village may prescribe for the conduct of any such action. The Village shall pay, or advance funds to the Manager to pay, all reasonable expenses of litigation including attorney's fees, filing fees, and court costs for all actions authorized lo be brought by the Manager. The Manager shall, to the full extent possible, recover such expenses from tenant and pay such recoveries to the Village. In taking any action pursuant to this paragraph unless otherwise directed by the Village, the Manager shall at all times comply with and abide by all applicable laws and regulations and all provisions of this Agreement and shall indemnify and hold the Village harmless from claims, suits, damages, losses, fines or penalties arising out of any failure of the Manager to so comply and abide.

7. Maintenance and Repair. Subject to and in accordance with the Budget prepared pursuant to paragraph 3 of this Agreement, the Manager shall use its best efforts to cause the buildings, appurtenances and grounds of Crestwood Place to be maintained at all times in a first- class, decent, safe and sanitary condition and in a rentable and tenantable state of repair, all in accordance with standards acceptable to the Village and with applicable federal, state and local laws, codes, and regulations. Incident thereto, the following provisions shall apply:

(a) Unless otherwise directed by the Village, maintenance and repair shall include, but not be limited to, interior and exterior cleaning, painting, decorating, plumbing, heating, roofing, carpentry, electrical and other utility systems in Crestwood Place, grounds care and such other maintenance and repair work as may be necessary.

(b) Special attention shall be given to preventive maintenance.

(c) To the greatest extent feasible, the services of Managers employees assigned to Crestwood Place shall be used. In the event that additional employees are necessary, the Manager shall, subject to the prior written approval of the Village, contract, through competitive bidding procedures, with qualified independent contractors for the maintenance and repair of major mechanical systems, including, but not limited to, roofing, heating and air conditioning systems and elevators, and for the performance of extraordinary repairs beyond the capability of said employees.

(d) The Manager shall take all necessary action to comply promptly with any and all orders or requirements of federal, state, county or municipal authorities having jurisdiction over Crestwood Place. The Manager shall notify the Village in writing promptly, and in no event later than forty-eight

hours from the time of receipt, of all such orders and notices of requirements.

(e) The Manager shall obtain the full benefit of any and all applicable warranties and guarantees in existence with respect to Crestwood Place, and equipment therein, before expending any funds to maintain and repair fixtures and facilities in Crestwood Place.

8. Utilities and Services. Subject to and in accordance with the Budget prepared pursuant to paragraph 3 of this Agreement, the Manager shall make all necessary arrangements for the provision of water, electricity, gas, fuel, sewage and trash disposal, vermin extermination, decorating, cable television, laundry facilities, internet and telephone service and all other appropriate utilities and services, or such of them as the Village shall deem advisable. Subject to the Village's prior written approval, the Manager shall, pursuant to competitive bidding procedures, where applicable, enter into such contracts as may be necessary to secure such utilities and services.

9. Expenses. The Manager shall cause to be paid and disbursed punctually all sums due and payable as regular operating expenses including the utilities and services referenced in paragraph 8 of this Agreement; all salaries and other compensation and taxes and fees associated therewith and for which the Village is responsible to pay under the terms of this Agreement; and all tax, insurance and debt service expenses relating to Crestwood Place for which the Village is responsible ***("Regular Operating Expenses");*** provided, however, that all such payments and disbursements are in accordance with the budget prepared pursuant to paragraph 3 of this Agreement. The Manager will be required to notify the Village of and obtain prior approval for any operating expense exceeding $1,500 which is not a regular operating expense as well as an expense associated with any capital project, regardless of cost.

The Manager is also authorized to make all necessary expenditures for purposes of emergency repairs involving manifest danger to persons or property, or to avoid suspension of any necessary service to Crestwood Place. In the event of emergency repairs, the Manager shall notify the Village in writing of the fact promptly, and in no event later than seventy-two (72) hours from the occurrence of such event.

The Manager shall be responsible for the payment of all of its office expenses, including its principal office and any auxiliary office, but not including the on-site manager's office at Crestwood Place, the cost of supervising all on-site personnel and the cost of preparing and compiling all financial and other required reports on the operation of Crestwood Place.

10. Personnel/Employees. Subject to the Budget prepared pursuant to paragraph 3 of this Agreement, and to the prior written approval of the Village, the Manager shall hire all on- site managerial, maintenance, janitorial and other personnel as may from time to time be necessary to discharge the on-site management duties and to perform the regular maintenance, cleaning, decorating and repair in Crestwood Place. The employment of such personnel shall be in accordance with job descriptions and standards, operating procedures, and wage rates from time to time approved in advance and in writing, by the Village. Such personnel shall be employees of the Manager or Affiliate and not of the Village and the salaries, fringe benefits and related personnel costs and taxes of such personnel shall be paid by the Manager;

provided, however, that the Manager shall have the right to reimburse itself or Affiliate in full for all of such salaries and payments out of the account maintained pursuant to paragraph 11 hereof.

Notwithstanding any term to the contrary in Sections 9 and 10 above, the following conditions shall apply to the compensation of on-site personnel employed by the Manager for Crestwood Place:

(a) No on-site employee of the Manager shall receive an annual salary increase greater than the increase given by the Village to the Village's own non-union employees during that same time period; and

(b) Any bonuses offered to the Manager's employees shall be paid from the Manager's own funds and shall not be a reimbursable expense by the Village.

11. Payments, Expenditures and Disbursements by the Manager. All payments, expenditures and disbursements to be made by the Manager pursuant to this Agreement shall, unless directed otherwise by the Village Manager or designee, be from a bank account maintained by the Manager, separate and apart from all other accounts and funds. Upon submission to the Village of semi-monthly reimbursement requests, the Village shall provide the Manager with a reimbursement in an amount equal to the total amount of all properly authorized payments, expenditures and disbursements made by the Manager in the immediately preceding semi-month period and included in said semi-monthly request or such other amount as may be reasonably calculated to provide, for the ensuing semi-monthly period, the necessary funds to pay for the estimated operating expenses of Crestwood Place and contingency, emergency and petty cash fund. Said account shall be initially established by a Village payment in an amount sufficient to meet the budgeted expenses of Crestwood Place and a reasonable contingency, emergency and petty cash fund in an amount reasonably calculated to provide a working cash fund for the period between the date of such payment and the estimated date of the first semi-monthly reimbursement.

12. Records and Reports. In addition to reporting requirements specified elsewhere in this Agreement, the Manager shall have the following responsibilities with respect to records and reports, all such responsibilities to be performed by the Manager at its sole expense:

(a) The Manager shall establish, maintain and safeguard a comprehensive system of financial, management and operating records, books and accounts, together with supporting schedules and documentation, for Crestwood Place in accordance with customary business practices for the management of rental property such as Crestwood Place.

(b) The Manager shall render to the Village by no later than the twentieth day of each month, a statement summarizing the operation of Crestwood Place, in a manner prescribed by the Village, for the preceding calendar month. Such statement shall, at a minimum, include the following: month and year-to-date information, summary

of source and application of funds, analysis of income, expenses and operations as compared to budget, and tenant records and payment history.

(c) The Manager shall furnish such information or reports (including monthly occupancy reports) as and when reasonably requested from time to time by the Village with respect to the financial, physical or operational condition of Crestwood Place.

(d) In the event that the books, records or accounts of Crestwood Place are not maintained in accordance with the provisions of this Agreement, that reporting timetables have not been met or are not likely to be met, the Village, at the expense of the Manager, may cause such functions to be performed by personnel selected by the Village; provided, however, that the expense to be assumed by Manager pursuant to this provision shall not in any event exceed 50% of the monthly management fee payable to the Manager under paragraph I3 hereof.

(e) The Manager shall, when requested, prepare, execute and file for the Village all forms, reports and returns required by law in connection with the employment of personnel, unemployment insurance, compensation insurance, disability benefits, Social Security and other similar insurance, and all other benefits or taxes now in effect or hereinafter imposed with respect to all employees of the Manager associated with Crestwood Place.

(f) All records, books and accounts shall be subject to examination at reasonable hours by any authorized representative of the Village.

(g) The Manager, or its agents, shall be available, upon timely notice, to attend meetings, including evening meetings, at the request of the Village for the purpose of providing status reports and providing information regarding Crestwood Place; provided, however, that the Manager shall not, except where extraordinary circumstances shall, in the opinion of the Village, make it necessary, be required to attend more than one evening meeting per month.

13. Compensation. As compensation for all of its services performed pursuant to this Agreement, the Manager shall receive the fees outlined in Exhibit A to this Agreement.

Said amount shall be payable to the Manager upon submission to the Village of the monthly reports as provided in paragraph 12 of the Agreement.

14. Village's Right to Intercede. [n the event that the Village, in its sole discretion, determines that the Manager is not properly performing any of its functions and responsibilities as set out in this Agreement, the Village shall have the right, but not the obligation, to intercede and perform said functions and withhold the fee to which the Manager would otherwise be entitled in accordance with paragraph I 3 of this Agreement. Except in the case of an emergency where, in the Village's sole discretion, immediate action is necessary, the Village may not intercede without providing the Manager with a fifteen (15) day prior written notice and opportunity to cure within said time period.

15. Term of Management Agreement. This Agreement shall be in effect for a term of _____ years, commencing November 1, 2025 and ending October 31, 2030. Notwithstanding the term of this Agreement, this Agreement may be terminated, as of the last day of any calendar month, upon the occurrence of any of the following circumstances:

(a) In the event of a bona fide sale, demolition or destruction of Crestwood Place, or in the event Crestwood Place becomes, for any reason, unfit for habitation, the Village may terminate this Agreement upon thirty (30) days written notice to the Manager.

(b) In the event a petition in bankruptcy is filed by either party, or in the event that either party shall make an assignment for the benefit of creditors, or take advantage of any insolvency act, or file a voluntary petition of bankruptcy, the other party hereto may terminate this Agreement upon fifteen (15) days written notice to the other party.

(c) In the event that either party shall breach any provision of this Agreement, the other party may terminate this Agreement upon twenty (20) days written notice to the breaching party, which notice shall specify the particular action or failure to act which constitutes a breach; provided, however, that the breaching party shall have an opportunity to remedy and correct the action or failure to act which constituted the breach within fifteen (15) days of receipt of said notice, and, in the event of such remedy or correction, this Agreement shall not be terminated.

(d) Notwithstanding the foregoing, this Agreement may be terminated by the Village, at its sole discretion and either with or without due cause, provided that no less than sixty (60) days prior written notice is given to the vendor.

Upon termination of this Agreement for any of the foregoing reasons, the Manager shall:

(1) Remit to the Village, within twenty-four (24) hours of such termination, all monies being held by the Manager pursuant to this Agreement and thereafter Village shall pay all costs and expenses incurred by Manager in accordance with the terms of this Agreement.

(2) Notify all residents, not less than 10 nor more than 15 days prior to the

termination date, to make future rent payments to the Village or to the Village's designee; and

(3) Submit to the Village, no later than 20 days following the date of termination, any financial statements required and account to the Village for all matters outstanding as of the date of termination.

(4) Submit to the Village, no later than forty-five (45) days following the date of termination, Manager's statement, together with all supporting documentation of sums, if any, due and owing the Manager for compensation and reimbursement for the final period prior to termination.

16. Insurance.

(a) The Village shall obtain, at its own cost and expense, the following insurance coverages pertaining to Crestwood Place:

(l) Fire and extended coverage property insurance.

(2) Broad form commercial liability insurance combined single limit per occurrence for bodily injury and property damage. in an amount of
$5,000,000 per occurrence (whether for property damage or injury or death to persons).

(3) Boiler and machinery insurance with customary limits considering the size of Crestwood Place.

Copies of certificates evidencing such policies shall be delivered to the Manager prior to the date on which Manager undertakes the on-site management of Crestwood Place. It is expressly understood that to the extent that the Village is able to provide the foregoing insurance coverage by and through its existing policies, the Village may do so without securing new policies and be in compliance with this paragraph provide that the Manager is named as an additional insured on such policies. If the Village chooses to use its existing policies for purposes of complying with this paragraph, the Village will be responsible only for the cost and expense of maintaining said existing policies. The liability policy shall name Manager and Affiliate as an additional insured on a primary and noncontributory basis for events arising only from the sole negligence of the Village.

(b) The Manager and Affiliate shall obtain the following insurance coverages pertaining to Crestwood Place and/or its operation:

(1) Unemployment insurance and worker's compensation insurance all within statutory limits, and employer's liability insurance with limits of $1,000,000 for all employees of the Manager or Affiliate associated with Crestwood Place.

(2) Broad form commercial general liability insurance in an amount

of $1,000,000 per occurrence combined single limit for bodily injury or property damage and employment practices, per occurrence.

(3) Umbrella liability insurance in the amount of $5,000,000 (in excess of $1,000,000) per occurrence and aggregate per year over underlying commercial general liability and employment practices liability insurance on a following-form basis such that when any loss covered by the primary policy exceeds the limits under the primary policy, the excess or umbrella policy becomes effective to cover such loss.

The commercial general liability and umbrella liability policies shall name the Village, its officers, officials, employees, and agents as additional insureds on a primary and non-contributory basis by original endorsement. The coverages enumerated under items 1, 2 and 3, above may be provided and maintained by the Manager through master policies pertaining to all properties managed by the Manager and Village's share of the premium and any cost of adding the Village and Crestwood Place to said master policies shall be the responsibility of the Village. Prior to the date on which Manager undertakes the on-site management of Crestwood Place, and if the Village so directs, the Manager shall deliver to the Village endorsements of such policies issued by the respective insurers evidencing that the Village is included as an additional insured under the commercial general and umbrella liability policies.

(c) With respect to all policies and/or coverages enumerated in subparagraphs (a) and
(b) above, it shall be the responsibility of the originally obtaining party to obtain renewals or replacements thereof. The party so obtaining such renewal or replacements shall deliver a copy of the same, together with evidence of payment of premium, to the other party.

(d) All policies enumerated under subparagraphs (a) and (b) above shall contain a provision requiring at least thirty (30) days prior written notice to both the Village and the Manager of any cancellation, termination, reduction of coverage, revision or other expiration or modification, and shall provide that no such expiration or modification shall be effective prior to thirty (30) days following such notice.

17. Indemnification.

(a) Subject to the limitations set forth in subparagraphs (b) through (e) below, the Manager and Affiliate agrees to indemnify, defend, save and hold harmless the Village, its corporate authorities, officers, boards, commissions, employees and agents and Crestwood Place (collectively "Village Indemnitees") with respect to any claims, suits, losses, damages, demands, judgments, executions, liabilities, debts, fines or penalties (hereinafter referred to collectively as a "Claim" or "Claims") (I) which may be incurred by reason of the Manager's or Affiliate's or their respective officers', employees', or agents' non-compliance with, failure to perform, negligence or gross negligence in performing any provision of this Agreement, or (2) which may arise out of or be related to the Manager's or Affiliate's tortious or unlawful actions or willful misconduct in the

performance of this Agreement.

(b) In the event that the Village shall exercise its right to intercede under paragraph 14 above, the indemnification set out in subparab1Taph (a) above shall thereupon become null and void as to any Claim based on events or actions relating to such intercession. In the event that the Village shall exercise its right to perform certain

functions under paragraph l 2(e), the indemnification set out in subparagraph (a) above shall not extend to any Claims upon the Village incurred by reason of the performance of functions or services by personnel selected by the Village pursuant to paragraph 12(e) of this Agreement.

(c) The Village waives all Claims against Manager and Affiliate for, and the indemnification set forth in subparagraph (a) shall not apply to, the following:

(i) any action or failure to act by the Manager or its Affiliate that meets generally accepted and currently recognized standards of professional practice, care and diligence practiced by recognized property management firms of senior living facilities of a similar nature to Crestwood Place and is not otherwise in violation of the terms and conditions of this Agreement; and

(ii) any loss or damage to Crestwood Place or other property of the Village resulting from fire or other hazards to the extent such loss could have been insured against under a special form cause of loss property insurance; provided, however that this subparagraph (d)(ii) shall not apply, and the Village shall have no obligation to waive any Claims for such loss or damage, to the extent the loss or damage is the result of any action or failure to act of the Manager or its Affiliate that fails to comply with the standards set forth in subparagraph (d)(i).

(d) Notwithstanding the indemnification set out in subparagraph (a) above, the same shall not extend to any Claim or Claims based upon a violation of any civil rights act by reason of the adoption by the Village or any of its boards, agencies, commissions or departments of any ordinance, rule, regulation or policy whereby preference in selecting tenants for Crestwood Place is accorded to residents of the Village, former employees of the Village, or relatives of residents of the Village. In the event any such ordinance, rule, regulation or policy is adopted by the Village, the Village shall indemnify, defend, save and hold harmless the Manager, its directors, officers, employees and agents, with respect to any Claims arising under, out of or pursuant to the carrying out of such ordinance, rule, regulation or policy by the Manager.

(e) The Village agrees to indemnify, defend, save and hold harmless the Manager and Affiliate and their respective officers, directors, employees, and

agents, with respect to any Claims which may be incurred by reason of (i) the Village's negligence arising out of actions related to Crestwood Place or any directive issued to the Manager from the Village pursuant to this Agreement, (ii) any acts performed by Manager at the direction of the Village, (iii) the breach of any material provision of this agreement by Village, (iv) any Claims described in subparagraphs (b) and (c) above and (v) Village's failure (other than by reason of Manager's default under this Agreement) or refusal to comply with or abide by any legal requirements, unless, following a final adjudication on the merits by a court of competent jurisdiction, it is determined that the claim was attributable to one of the indemnified Village matters described in subparagraph (a) above.

(f) The indemnification set out in subparagraphs (a), (e) and (f) above shall include all expenses incurred by the party being indemnified, including, but not limited to, reasonable attorney's fees, costs and expenses of defense.

(g) All indemnifications set out in this paragraph or elsewhere in this Agreement shall confer no benefit upon any party that is not a party to this Agreement, including, without limitation, successors and assigns of either party.

(h) In no event shall the Village or Manager or Affiliate be liable to the other under this Agreement for consequential damages.

(i) The indemnification obligations of the Village and Manager under this Section 17 shall survive the termination of this Agreement.

18. Fidelity Insurance. The Manager shall furnish and maintain, at the expense of the Village (provided that in no event is the Village's expense to exceed $1,500 per year), for the duration of this Agreement and any renewals or extensions thereof, plus thirty (30) days after the expiration of termination thereof, fidelity insurance with the Manager as the insured in the principal sum of One Hundred Fifty Thousand Dollars ($150,000) with a company acceptable to the Village, as the insurance company. Said insurance shall cover the Manager, its officers, employees, and agents hired by the Manager in connection with this Agreement, with provisions protecting the Village against misapplications of Development funds by the Manager and its officers, employees and agents. Said insurance shall cover the losses discovered within one (1) year after the occurrence of such losses and shall provide that any claims paid thereunder will be adjusted with and payable to the Village, to the extent of the Village's loss. Said insurance shall also provide that ten (10) days prior written notice by the insurer to the Manager and the Village shall be required to effect any cancellation or change. Any return premium shall be paid by the Manager to the Village within ten (10) days of the Manager's receipt of the same.

19. Plans and Specifications. In order to facilitate the efficient operation of Crestwood Place, the Village shall, to the extent the same are available, furnish the Manager with a complete set of plans and specifications of Crestwood Place. With the aid of these documents and inspections made by competent personnel, the Manager shall inform itself with respect to the layout, construction, location, character, plan and operation of the lighting, heating, plumbing, and ventilating systems, elevators, and other mechanical equipment in Crestwood Place. Copies of guarantees and warranties pertinent to the construction of Crestwood Place and in force at the time of the execution of this Agreement shall be furnished to the Manager by the Village.

20. Compliance of Development. The Manager does not assume and is given no responsibility for compliance of any building in Crestwood Place or any equipment therein, at the time of the execution of this Agreement, with the requirements of any statute, ordinance, law or regulation of any governmental body or of any public authority or official thereof having jurisdiction, except to notify the Village promptly or forward to the Village promptly any complaints, warnings, notices, or summonses received by it relating to such matters. The Village represents that, to the best of its knowledge, Crestwood Place and equipment therein comply with all such requirements and authorizes the Manager to disclose the ownership of Crestwood Place to any such officials and agrees to indemnify and hold harmless the Manager, its representatives, servants, and employees, of and from all loss, cost, expense, and liability whatsoever which may be imposed on them or any of them by reason of any present or future violation or alleged violation of such laws, ordinances, statutes, or regulations, provided, however, that such violation or alleged violation is not the result of the Manager's actions or failure to act when otherwise obligated to do so.

21. Village Approval and Action. Unless the Village Board of Trustees otherwise provides by Resolution duly adopted, all actions and approvals required by the Village in this Agreement shall be by the Village Board of Trustees.

22. Manager's Certification. Manager represents and certifies that Manager is not barred from contracting with a unit of state or local government as a result of (i) a delinquency in the payment of any tax administered by the Illinois Department of Revenue unless Manager is contesting, in accordance with the procedures established by the appropriate revenue act, its liability for the tax or the amount of the tax, as set forth in Section 11-42. I-I et seq. of the Illinois Municipal Code, 65 ILCS 5/11-42.1-1 et seq.; or (ii) a violation of either Section 33E-3 or Section 33E-4 of Article 33E of the Criminal Code of 1961, 720 ILCS 5/33E-1 et seq. Manager represents that the only persons, firms, or corporations interested in this Agreement as principals are those disclosed to Village prior to the execution of this Agreement, and that this Agreement is made without collusion with any other person, firm, or corporation. If at any time it shall be found that Manager has, in procuring this Agreement, colluded with any other person, firm, or corporation, then Manager shall be liable to Village for all loss or damage that Village may suffer, and this Agreement shall, at Village's option, be null and void.

23. Budgeted Funds. Manager acknowledges that the Village is a municipal corporation which approves budgets on a year-to-year basis. The Village shall use its best efforts to secure sufficient budgeted funds to meet its obligations under this

Agreement. Provided, however, that in any fiscal year in which the Village's Board of Trustees fails to budget sufficient funds to satisfy the Village's obligations under this Agreement, the Village's obligations under this Agreement shall cease immediately, without penalty of further payment being required provided that the Village shall remain liable to fund all payments, expenditures and disbursements made by Manager in accordance with the terms of this Agreement prior to the date the Village notifies Manager of such cessation of the Village's obligations. Nothing in this paragraph 23 shall relieve the Village of its indemnification obligations under this Agreement. The Village shall give the Manager notice of such termination of funding as soon as practical after the Village becomes aware of the failure of funding. In the event the Village provides such notice, the Manager may terminate this Agreement or any part thereof.

24. Sexual Harassment Policy. Manager certifies that it has a written sexual harassment policy in full compliance with Section 2-105(A)(4) of the Illinois Human Rights Act, 775 ILCS 5/2-105(A)(4).

25. PATRIOT Act Compliance. Manager represents and warrants to Village that neither it nor any of its principals, shareholders, members, partners, or affiliates, as applicable, is a person or entity named as a Specially Designated National and Blocked Person (as defined in Presidential Executive Order 13224) and that it is not acting, directly or indirectly, for or on behalf of a Specially Designated National and Blocked Person. Manager further represents and warrants to Village that Manager and its principals, shareholders, members, partners, or affiliates, as applicable, are not, directly or indirectly, engaged in, and are not facilitating, the transactions contemplated by this Agreement on behalf of any person or entity named as a Specially Designated National and Blocked Person. Manager hereby agrees to defend, indemnify and hold harmless Village, its corporate authorities, and all Village elected or appointed officials, officers, employees, agents, representatives, engineers, and attorneys, from and against any and all claims, damages, losses, risks, liabilities, and expenses (including reasonable attorneys' fees and costs) arising from or related to any breach of the representations and warranties in this subsection.

26. Entire Agreement. This Agreement shall constitute the entire agreement between the parties and shall be binding upon and inure to the benefit of their respective successors, assigns and representatives as permitted herein, and no variance or modification thereof shall be valid and enforceable, except by supplemental agreement in writing, executed and approved in the same manner as this Agreement

27. Transfer of Ownership. The employment and appointment of the Manager as the sole and exclusive renting and management firm for Crestwood Place pursuant to this Agreement is a privilege to be held personally in trust by the Manager. Such privilege may not be transferred to any person without the prior consent of the Village expressed by resolution duly adopted and then only on such conditions as may therein be prescribed. Such consent shall not be unreasonably withheld nor shall the conditions prescribed in respect of any such consent be unreasonable.

For purpose of this paragraph, the term "transfer" shall be deemed to include any assignment, transfer, mortgage, lease, sublet, sale, transfer to a receiver or to a trustee in bankruptcy, transfer to or for the benefit of creditors, transfer in trust, pledge or any other disposition.

28. Partial Invalidity. The invalidity of any clause, part or provision of this Agreement shall not affect the validity of the remaining portions thereof.

29. Addresses and Notices. Any notice or communication required or permitted to be given under this Agreement shall be in writing and shall be delivered: (i) personally, (ii) by a reputable overnight courier, (iii) by certified mail, return receipt requested, and deposited in the U.S. Mail, postage prepaid. Unless otherwise expressly provided in this Agreement, notices shall be deemed received upon the earlier of (a) actual receipt; (b) one business day after deposit with an overnight courier as evidenced by a receipt of deposit; or (c) three business days following deposit in the U.S. mail, as evidenced by a return receipt. By notice complying with the requirements of this paragraph 29, each party shall have the right to change the address or the addressee, or both, for all future notices and communications to such party, but no notice of a change of addressee or address shall be effective until actually received.

(a) Notices and communications to Manager shall be addressed to, and delivered at, the following address:

XXXXXXXXXXXXXXX
XXXXXXXXXXXXXXX
XXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXX

(b) Notices and communications to Village shall be addressed to, and delivered at, the following address:

Village of Northbrook
Attention: Village Manager
1225 Cedar Lane
Northbrook, Illinois 60062

with a copy to:

Northbrook Senior Services
Commission Attention: Village Clerk
The Village of Northbrook
1225 Cedar Lane
Northbrook, Illinois 60062

30. Execution. For the convenience of the parties, this Agreement has been executed in several identical counterparts, each of which shall be deemed to be complete in itself so that any one may be considered the original for evidentiary purposes.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

Manager
XXXXXXXXXXXXXXXXXX

By: _____

Village of Northbrook

By:_____
Cara Pavlicek, Village Manager

EXHIBIT A- FEES FOR SERVICE