

SENIOR CENTER NON-TAXABLE LICENSE FOR USE AGREEMENT

This NON-TAXABLE LICENSE FOR USE AGREEMENT ("Agreement") is made between the PARK RIDGE RECREATION AND PARK DISTRICT of Park Ridge, Illinois (hereinafter called the "District") and PARK RIDGE SENIOR SERVICES, INC., an Illinois not-for-profit corporation (hereinafter called "Corporation" or "Senior Services"), both of said parties having previously been authorized to execute said Agreement by resolutions passed at a regular or special meeting of their respective Board of Commissioners/Directors/or Members. Both District and Corporation recognize that the success of the Senior Center (as hereinafter defined) depends upon a sound financial operation and the solicitation of outside grants and donations. Both the District and Senior Services are committed to working together in a cooperative venture for the purpose of promoting, providing and expanding public recreation opportunities to senior citizens. Both District and Corporation also recognize the contribution of the senior senate of the Senior Center as an advisory body to Corporation regarding day-to-day program operations of the Senior Center, subject to the approval of District.

In consideration of the foregoing recitals and the mutual covenants and agreements herein stated, the parties hereto agree as follows:

1. **Term.** The term ("Term") of this Agreement shall be for the period beginning January 1, 2011, and ending December 31, 2012 subject to earlier termination or cancellation as hereinafter provided.

2. **The Senior Center.** During the Term hereof, all areas of the building formerly commonly known as the Centennial Park Fieldhouse (and now commonly known as the Park Ridge Senior Center) (except for the swimming pool and its related facilities) but including the addition and stage area, shall, except as otherwise provided herein, be generally available for non-exclusive use (consistent with this Agreement being a license and not a lease) as a senior center ("Senior Center") by seniors who wish to participate in the programs and/or activities provided therein. The Senior Center shall be principally used to promote, provide, and expand senior public recreational activities and programs ("Purposes"). District retains the right to use, and/or to permit others to use, all or part(s) of the Senior Center during the Term, at times when (i) historically Senior Center activities have not been scheduled, or (ii) Senior Center activities are not actually scheduled. Notwithstanding anything to the contrary contained herein, the District shall retain the exclusive use of the warming room and outermost washrooms during the sledding season and during the summer months when picnics and District programs are in session. District shall be responsible for all reasonable repairs to the buildings and surrounding grounds, not required by reason of Corporation's acts or omissions.

3. **Senior Center Staff.** The parties agree that the Senior Center shall be maintained by the District for the principal benefit of Senior Center members and shall be staffed by employees of the District, including a Senior Center Manager and such

other employees as the District deems necessary to carry out the Purposes of the Senior Center.

All full-time and part-time employees of the Senior Center shall be Park District employees under the exclusive supervision, control and jurisdiction of the District and shall be subject to the provisions of the District's Personnel Policy Manual, and to the extent applicable the District's Collective Bargaining Agreement, each as now in effect or as either or both may be hereafter amended. Said employees are not joint employees or joint agents. Notwithstanding anything in this paragraph to the contrary, Senior Center staff shall be evaluated by Corporation based on effectiveness toward the Purposes of the Senior Center, which evaluation may be used by the District on an advisory, non-binding basis.

4. **Corporation Payments.** The Corporation shall pay to the District the sum of not less than SIXTY THOUSAND AND NO/100 DOLLARS (\$60,000.00) during each year of the Term, payable as follows and subject to adjustment as hereafter provided: The contributions will be divided into 4 equal quarterly payments each year during the term, due January 30 for the first quarter, April 30 for the second quarter, July 30 for the third quarter and October 30 for the fourth quarter. The parties agree to discuss Corporation's payment of additional monies for 2012 subject to the Corporation's ability to secure funding from the City or other sources, should funding from either or both of these sources be secured by Corporation during the Term.

All programs offered at the Senior Center using the support of District personnel will allow all seniors the opportunity to register and participate.

5. **Corporation's Income and Expense Statements** The Corporation shall provide District, within ninety (90) days after the expiration of each fiscal year of the Corporation during the Term hereof, with an income and expense statement for the fiscal year then ended.

6. **Alterations.** No alterations, additions, improvements, or decorating changes in, to, or on and about the Senior Center shall be made without the advance written approval of District, which shall not be unreasonably withheld.

All equipment and detachable improvements which are not accepted in writing by the District must be removed by the Corporation prior to the expiration of this Agreement, and Corporation will be notified immediately upon the non-acceptance of such equipment and detachable improvements so that the Corporation can provide for such removal prior to expiration of this Agreement. Should the Corporation make any structural changes with the approval of the District, then prior to any termination of this Agreement, the Corporation agrees to make all structural changes and conclude all redecorating and other repairs and alterations at the Corporation's sole expense required to restore the senior center building to its original condition as it existed prior to those structural changes. As of the date of the entry into this Agreement, there have

been no structural changes made to the senior center building nor any equipment or detachable improvements that have not been accepted by the District.

All improvements to the Senior Center paid for by Corporation which are so attached to the Senior Center that they cannot, in the opinion of the District, be removed without material injury to the building, shall be left in place by the Corporation upon the expiration of this Agreement or upon any renewal, amendment or extension of this Agreement, if later..

Consistent with the acknowledgement hereby that the District, as owner of the Senior Center, does not hereby relinquish possession and control of the Senior Center beyond the limited degree provided for hereunder and deemed necessary to permit occupancy and use of the Senior Center by seniors who wish to utilize the programming offered therein in accordance with this Non-Taxable License for Use Agreement, District reserves the right to define minimum standards of cleaning and custodial maintenance of the Senior Center. Corporation reserves the right to define the limits upon use for equipment and detachable improvements purchased by the Corporation and for which the Corporation has purchased insurance (including, without limitation, pool tables, large-screen televisions, musical equipment, library books and furniture).

7. **Fire and Casualty.** In the event the Senior Center shall be rendered unusable by fire, or other casualty, District may, at its option, terminate this Agreement or reach a determination to repair the Senior Center within sixty (60) days, and failing to repair, or upon the destruction of said Senior Center by fire or other casualty, the Term hereby created shall cease.

8. **Insurance and Indemnification.** Corporation shall keep in force at all times during the term of this Agreement (i) Directors and Officers liability insurance in the sum of not less than \$1,000,000, (ii) Fidelity and Theft coverage written on an occurrence basis, and (iii) property insurance on personal property owned by the Corporation. District shall maintain its own general liability insurance coverage with limits not less than those in effect as of the date hereof, unless reduced by District's joint self insurance risk pool, in which event District shall provide the Corporation with not less than 21 days' advance written notice of such reduction.

To the fullest extent permitted by law, each party to this Agreement shall protect, indemnify, save, defend and hold harmless the other party, including its officers, officials, volunteers, employees and agents, from and against any and all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses, including reasonable attorney and paralegal fees, which the other party and for which its officers, officials, volunteers, employees and agents may become obligated by reason of any accident, bodily injury, death of person or loss of or damage to tangible property, arising indirectly or directly in connection with or under, or as a result of this Agreement, but only to the extent caused in whole or in part by any negligent or wrongful act or omission of the indemnifying party. The insurance company, self-insurance pool or similar entity of the party providing the indemnification shall be allowed to raise on

behalf of the other party(s) any and all defenses statutory and/or common law to such claim or action which the other party(s) might have raised, including but not limited to any defense contained within the Illinois Governmental and Governmental Employees Tort Immunity Act, 7 45 ILCS S10/1-101, et seq. (1991).

9. **Real Estate Taxes** . Notwithstanding anything to the contrary herein or elsewhere contained, this Non-Taxable License for Use Agreement shall not be construed to constitute a lease nor to create any interest or estate in realty, leasehold or otherwise, of Corporation in or to the Senior Center, it being expressly understood between District and Corporation that the rights and relationships of District and the Corporation hereunder are that of Licensor and Licensee, respectively, under a non-taxable license, and that the use and occupancy of the Senior Center by seniors whom the District serves shall be regarded and considered to be a part of senior-programming services offered by the District in furtherance of its corporate purposes.

Corporation warrants and represents that it is and will remain for the term of this Agreement an Illinois not-for-profit corporation and that its occupancy of the Senior Center, as licensee under this Agreement, will not result in any real estate taxes being imposed on District.

In the event that (a) Corporation ceases to be an Illinois not-for-profit corporation, (b) any real estate taxes are assessed, levied or imposed upon the real estate, or part thereof, on which the Senior Center is located upon, or upon any interest therein, (c) a notice is received by the District or the Corporation concerning taxes proposed to be assessed, levied or imposed thereon, for any period covered in this Agreement as a result of this Agreement, or (d) real estate taxes are assessed, levied against or imposed thereon: the Corporation shall hold harmless, indemnify and defend the District, to the best of its corporate ability, from and against any and all liability for such real estate taxes and District shall have the right, privilege and option to terminate this Agreement by giving thirty (30) days advance written notice to Corporation of its intention to terminate and the provisions of Section 13 hereof shall not in such event be applicable, PROVIDED, HOWEVER, that if Corporation gives written notice to District within fifteen (15) days after Corporation's receipt of District's notice of intention to terminate this Agreement, indicating that Corporation intends to interpose its own defense to the proposed assessment and/or levy and that Corporation will take the necessary action to appeal from any such assessment and take whatever legal action Corporation deems appropriate to protect the real estate or interest therein and the District from such real estate taxes, then District shall promptly deliver the notice of tax assessment to Corporation and fully cooperate in all phases of the appeal and defense of the matter, but at no cost to the District. Corporation covenants and agrees to indemnify District from payment of all such real estate taxes, and expenses incurred by District, on account of this Agreement, and in such event this Agreement shall not be so terminated, PROVIDED FURTHER that the Corporation shall deposit, within 30 days of giving the aforesaid notice to District, in escrow with an escrowee mutually satisfactory to District and Corporation an amount of money equal to one and one-half times the estimated tax liability, to be applied toward payment of any tax ultimately payable or

otherwise to be refunded to Corporation upon its final successful defense against such assessment.

10. **Access to Property.** During the term this Agreement, District shall have free access to the Senior Center, and the right to make any improvement or alteration in, to or upon the Senior Center which District may deem necessary or desirable, which will not interfere with or alter the use of the senior center building as a Senior Center.

11. **Government Acts.** District represents that to the best of its knowledge, the Senior Center is now in compliance with all applicable health, safety, fire and zoning statutes. In the event of changes in such statutes, ordinances or regulations (except any changes required by any enacted by the District itself and not required by law), which would require work to be performed or alterations to be made in or upon the Senior Center building to bring same into compliance as a result of any such change or changes, the performance of which work or payment therefor would render the Senior Center unusable by Corporation for its Purposes during the Term hereof, or the cost of which would make the continued use and occupancy thereof by Corporation under this Agreement economically impractical and/or work a financial hardship on District, then and in such event, unless Corporation and District previously mutually agree to an appropriate amendment to this Agreement, District or Corporation may terminate this Agreement effective as of the last permitted date allowed for Corporation's continued use and occupancy under such changed statutes, ordinances or regulations or the last permitted date allowed by the agency, department or other body having authority to enforce such statutes, ordinances or regulations, whichever is later. Corporation shall also have the right, in the event that it receives a notice of termination from District pursuant to this Section 10, to terminate this Agreement prior to the termination date set forth in District's aforesaid notice upon thirty (30) days' written notice to District of its intent.

12. **Cooperation.** If the By-Laws of Corporation shall not provide within 90 days of the date hereof that a representative of District chosen by the District shall at all times during the term of the Agreement and any extension or renewal hereof be a liaison to the Board of Directors of the Corporation, then this Agreement may terminate at any time thereafter upon ten (10) days advance notice in writing to Corporation from District.

13. **Cancellation.** Upon a determination by District that the needs of District require use of some or all of the Senior Center for other recreational or park activities for times such use is not otherwise allowable hereunder pursuant to the provisions of Section 2 above, District may cancel this Agreement as to all or a portion of the Senior Center upon at least one hundred eighty (180) days written notice to Corporation and its attorneys. In the event of such cancellation of this Agreement by District, it is acknowledged and agreed by District consistent with its previous letter agreement with Park Ridge Senior Services, Inc. dated July 16, 1987, as amended, a copy of which is attached hereto as Group Exhibit A and is hereby made a part hereof, that Corporation

shall be entitled to reimbursement of such portion, if any, of its capital improvement costs previously and/or hereafter incurred, to be determined in accordance with the formula set forth in Exhibit A attached hereto and forming a part hereof as modified and supplemented by the provisions of Exhibit B hereto, which is hereby made a part hereof.

14. **Notices.** All notices and demands required hereunder shall be in writing and shall be deemed to have been given when delivered personally or when mailed by registered or certified mail, postage prepaid, addressed as follows:

If to District:

President, Board of Park Commissioners
Park Ridge Recreation and Park District
2701 W. Sibley Avenue
Park Ridge, Illinois 60068

Thomas G. Hoffman, Ltd., P.C.
205 W. Randolph, Suite 1320
Chicago, IL 60606
(312) 223-1135

If to Corporation:

Chairman, Board of Directors
Park Ridge Senior Services, Inc.
100 South Western Avenue
Park Ridge, Illinois 60068

Attorney, John E. Owens
Owens, Owens & Rinn LTD.
444 N. Northwest Highway, Suite 350
Park Ridge, Illinois 60068
(847) 825-2128

or at such other address or addresses that shall be designated in writing from time to time by either District or Corporation or either or both of their respective attorneys..

15. **Amendments.** This Agreement may be amended only by an instrument in writing duly executed by District and Corporation.

16. **Execution.** This Agreement is executed in duplicate, each of which shall constitute an original.

IN WITNESS WHEREOF, District, in pursuance of the express authorization of its Board of Park Commissioners by resolution passed at a special meeting of said Board of Park Commissioners held on the 12th day of January, 2011, and Corporation, in pursuance of the express authorization of its Board of Directors by resolution duly adopted at a regular meeting or special meeting of said Board of Directors held on the _____ day of _____, 2011, the parties hereto have respectively caused this Agreement to be executed by and through their duly authorized officers, effective in accordance with its terms as of the the date hereof.

Dated _____

EXHIBIT A



2701 Sibley Avenue
Park Ridge, Illinois 60068
(312) 692-5127

July 16, 1987

Senior Services, Inc.
Park Ridge Senior Center
100 South Western Avenue
Park Ridge, IL 60068

Re: Proposed Addition and Improvements to
the Park Ridge Senior Center

Ladies and Gentlemen:

The Board of Park Commissioners of the Park Ridge Recreation and Park District ("District") has officially resolved to provide one dollar for every dollar collected by Senior Services, Inc. ("SSI") up to \$350,000⁺ during the one year period beginning (i) on the date of your signing and returning the duplicate copy hereof or (ii) on August 1, 1987, whichever is sooner, for the purpose of building an addition and making improvements to the Park Ridge Senior Center located at 100 South Western Avenue, Park Ridge, Illinois, 60068. The monies to be provided by the District will hereafter be referred to as "matching funds."

It is understood between the District and SSI that at the end of the one year period referred to above, SSI shall deliver all monies collected by it to build the addition to the Treasurer of the District, who will supplement same with matching funds within the limits described above. The District will thereafter have exclusive control over all of the funds, the expenditure thereof and the construction of the addition. The addition to be built shall be the one depicted on the drawings as the "South Addition." It is suggested that the decorating and furnishing of the addition will be handled by a joint committee of the District, SSI and the Senior Senate.

It is further understood between the District and SSI that construction of the addition may cause interruption of the use of some part or all of the Senior Center building but the District will take reasonable efforts to keep such interruptions to a minimum. The District and SSI also acknowledge that the District will need to use the warming room from time to time and will also be entitled to use the entire Senior Center building when not programmed or scheduled for use by SSI.

(Continued)

Proposed Addition and Improvements
to the Park Ridge Senior Center

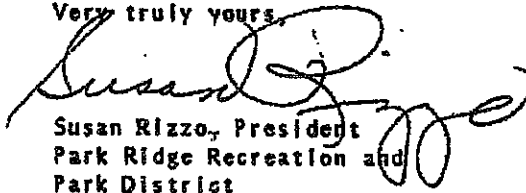
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July 16, 1987

The District and SSI agree that all improvements to the real estate owned by the District shall belong to the District. SSI shall be entitled to the use of the Senior Center for a reasonable period of time pursuant to a License for Use to be entered into between it and the District, which License shall be terminable by the District (on not less than 180 days notice) as required by law. Although it is not presently the intent of the District that the License be terminated in the foreseeable future, if the District should at some time in the future decide to terminate the License, SSI shall be entitled to be reimbursed for its share of the cost of the addition (including all monies raised by it and used to pay for the addition), less 3.3 percent of the total cost of the addition per each year or part thereof that the addition has been completed.

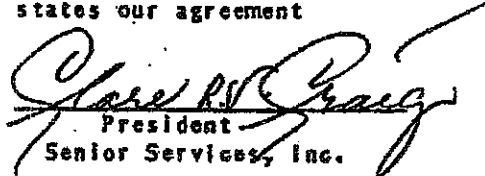
If the foregoing accurately states our agreement, please sign and return the duplicate copy hereof and it will serve as a Letter of Understanding between the parties.

Very truly yours,


Susan Rizzo, President
Park Ridge Recreation and
Park District

(Acknowledgement on copy)

The foregoing accurately
states our agreement


President
Senior Services, Inc.

AMENDMENT TO LETTER AGREEMENT
DATED JULY 16, 1987, BETWEEN THE PARK RIDGE SENIOR
SERVICES, INC. AND THE PARK RIDGE RECREATION
AND PARK DISTRICT

Notwithstanding the above and foregoing paragraphs of the letter agreement dated July 16, 1987, the parties thereto agree to the following amendments.

1. After all of the funds are collected and deposited with the District, if it is determined that insufficient funds have been raised to construct the agreed upon "South Addition", the District agrees to receive and fully consider the recommendations of Senior Services, Inc. in the planning and construction of any addition to the Park Ridge Senior Center, though Senior Services, Inc. recognizes and acknowledges that the District thereafter has exclusive control over the funds, the expenditures thereof and the construction of any addition.

2. It is further agreed that in the event that the District should decide to terminate the License after the addition has been constructed, Senior Services, Inc. will also be reimbursed for its share of the previously constructed improvements as set forth on Exhibit A, less 3.3 percent of the total cost of said improvements (other than air conditioning) per year or part thereof from the date said improvements were completed; in the case of the air conditioning the applicable percentage shall be five percent.

PARK RIDGE RECREATION & PARK DISTRICT

BY: Susan Ringo
PRESIDENT

PARK RIDGE SENIOR SERVICES, INC.

BY: Gore R. Stang
PRESIDENT

EXHIBIT B

CAPITAL IMPROVEMENTS COSTS INCURRED BY PARK RIDGE SENIOR SERVICES, INC.

1. The following costs comprise the "capital improvements costs" previously paid for by the Corporation for purposes of Section 13.
 - (i) Corporation's share of the cost of the initial addition, (including all amounts raised by it and used to pay for the initial addition to the Senior Center, all of which shall be deemed to have occurred before June 1, 1990), in an amount of \$353,000, PLUS
 - (ii) The Corporation's costs of the additional improvements made by the Corporation after June 1, 1990 and prior to December 31, 1999, including but not limited to the stage addition, which costs amount to the sum of \$306,377, PLUS
 - (iii) the Corporation's costs of all improvements made by the Corporation after December 30, 1999 through the date hereof and calculated from the respective dates of completion by the Corporation with written notice and verification of the expenditure to be delivered to the District together with Corporation's written certification of the date of completion, said Corporation's costs being estimated by the Corporation, but not confirmed by the District at the date hereof to amount to approximately \$25,000.00., PLUS
 - (iv) The Corporation's costs of all improvements, if any, made by the Corporation during the Term hereof pursuant to any consent which may hereafter be given by the District.
2. For each year which transpires during the Term the Corporation's entitlement to reimbursement, if any, of its capital improvement costs shall be further reduced, above and beyond any reduction otherwise required by Section 13 and Exhibit A, by the additional sum of \$20,000 (or in the event of a partial year, by a pro-rata portion thereof), LESS the amount of grant funding, if any, which is received by the Corporation from the City and is in fact paid over to the District by the Corporation.