

**FOURTH AMENDMENT**  
**VILLAGE OF NORTHBROOK**  
**VILLAGE MANAGER EMPLOYMENT AGREEMENT**  
**WITH RICHARD A. NAHRSTADT**

This Fourth Amendment to the Village Manager Employment Agreement (the “*Fourth Amendment*”) is made and entered into as of June 8, 2021, (the “*Effective Date*”) by and between the Village of Northbrook, an Illinois home rule municipal corporation, (the “*Village*”) and Richard A. Nahrstadt (“*Nahrstadt*”).

IN CONSIDERATION of the mutual covenants and conditions set forth below, and pursuant to the Village’s home rule powers, the Village and Nahrstadt agree as follows:

**Section 1. Recitals**

A. The President and Board of Trustees (collectively, the “*Board of Trustees*”) employ Nahrstadt as Village Manager pursuant to Chapter 2, Article III, Division 4 of the Northbrook Municipal Code (the “*Village Code*”).

B. Nahrstadt and the Village entered into a Second Amendment to Village Manager Agreement dated as of May 1, 2012 which effectively amended and restated the 2008 and 2009 agreements (the “*Second Amendment*”). Nahrstadt and the Village entered into a Third Amendment to Village Manager agreement on November 11, 2020 (the “*Third Amendment*”). The Second Amendment and the Third Amendment, as amended by this Fourth Amendment, constitute the “*Employment Agreement*.”

C. In consideration of the recitals set forth in this Section 1, and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, the Board of Trustees and Nahrstadt desire to enter into this Fourth Amendment, and to agree to the terms and provisions set forth herein.

D. The Board of Trustees acknowledge and agree that the execution of this Fourth Amendment by the Village is an exercise of the home rule authority of the Village.

**Section 2. Effect of Amendment**

The Village and Nahrstadt acknowledge and agree that this Fourth Amendment is intended to replace the Third Amendment in its entirety, and to modify, but not replace, the Second Amendment. As modified and amended by this Fourth Amendment, all of the terms, covenants and conditions of the Second Amendment and all exhibits thereto, as so amended, are hereby ratified and confirmed and shall continue to be and remain in full force and effect and constitute the Employment Agreement. In the event of a conflict between the provisions of the Second Amendment and this Fourth Amendment, the provisions of this Fourth Amendment shall control. Any term or provision that is not specifically defined in this Fourth Amendment shall have the meaning ascribed to it in the Second Amendment.

### Section 3. Retirement

Nahrstadt has previously notified the Village that he will retire from the position of Village Manager, and from employment with the Village, on April 30, 2021, which proposed retirement date was extended by mutual agreement of Nahrstadt and the Village to July 31, 2021 (the “**Proposed Retirement Date**”). Nahrstadt acknowledges and agrees that the actual date of retirement will be the date that is the later to occur of (a) the Proposed Retirement Date and (b) if applicable, the last day of the Extended Employment Period, as defined in Section 7 of this Fourth Amendment (the “**Actual Retirement Date**”).

### Section 4. Retirement Benefits.

Upon the retirement contemplated in Section 3 of this Fourth Amendment, Nahrstadt will be entitled to receive, and the Village will provide to Nahrstadt the following benefits (collectively, the “**Retirement Benefits**”). Each Retirement Benefit will be paid, be delivered, or become effective (as the case may be) as of the Actual Retirement Date; provided, however, that except as provided in Section 4.D of this Fourth Amendment, no Retirement Benefit shall be paid unless and until the occurrence of the Release Effective Date, as defined in Section 6 of this Fourth Amendment.

A. One Year Salary Payment. The Village will pay to Nahrstadt a lump sum payment equivalent to one full year of Nahrstadt’s salary as Village Manager, calculated at Nahrstadt’s rate of pay as of the Effective Date of this Fourth Amendment, which rate of pay includes the 2.5% COLA adjustment to Nahrstadt’s rate of pay described in Section 7.C of this Fourth Amendment.

B. Forgiveness of New Promissory Note. The Village will forgive the entire balance of the New Promissory Note that exists as of the Actual Retirement Date. In the event Nahrstadt completes and consummates the sale of Nahrstadt’s Current Residence to a bona fide purchaser prior to the Release Effective Date, the Village will provide the title company with documentation at closing confirming the release and satisfaction of the New Second Mortgage. Nahrstadt will remain responsible for payment in full of the entire balance of the New Promissory Note until the occurrence of the Release Effective Date.

C. Executive Retirement Consideration. In accordance with the August 11, 2006 Executive Compensation Understanding Memorandum incorporated into the Second Amendment, the Village will pay to Nahrstadt executive retirement consideration consisting of a lump sum payment equivalent to 40 business days of pay as Village Manager, calculated at Nahrstadt’s rate of pay as of the Effective Date of this Fourth Amendment, which rate of pay includes the 2.5% COLA adjustment to Nahrstadt’s rate of pay described in Section 7.C of this Fourth Amendment.

D. Transfer of Title to Automobile. The Village will transfer to Nahrstadt the title to that certain Village-owned 2014 Toyota Highlander automobile (the “**Automobile**”) that Nahrstadt was authorized to use while employed with the Village. Nahrstadt acknowledges and agrees that (1) he will

accept the Automobile in the condition that it is in as of the date of transfer and (2) the transfer will not occur until after the Village declares the Automobile as surplus property in accordance with applicable law, which the Village agrees to do as soon as possible after the Effective Date of this Fourth Amendment. The title to the Automobile will be delivered to Nahrstadt, and the transfer effective, on the date that Nahrstadt delivers the Release (as defined in Section 6 of this Fourth Amendment), notwithstanding that the Release Effective Date may not yet have occurred.

E. Health Insurance. In consideration of Nahrstadt being available to provide consultation service to the Village for up to 10 hours per month for a period of 48 months commencing with the month following the Actual Retirement Date, the Village will allow Nahrstadt and his eligible dependents to remain covered under the Village's health insurance plan, as the same may exist from time-to-time, throughout that 48-month period. Further, Nahrstadt will not be responsible for any premium payments during that 48-month period.

#### **Section 5. Accrued Vacation and Sick Pay**

On the Actual Retirement Date, Nahrstadt will receive payment for all accrued but unused vacation and sick leave pay as of the Actual Retirement Date, all in accordance with applicable Village policies.

#### **Section 6. Release.**

Nahrstadt acknowledges and agrees that his receipt of the Retirement Benefits is expressly subject to and contingent upon Nahrstadt's execution of a general release in the form attached to this Fourth Amendment as Exhibit A ("**Release**"). The Release will not be signed by Nahrstadt before the Actual Retirement Date. As provided in the Release, the Village advises Nahrstadt to consult with an attorney prior to signing the Release. Further, the Village will provide Nahrstadt with a period of 21 days within which to consider and sign the Release, and a period of seven days within which to revoke the Release after it has been signed. For purposes of this Fourth Amendment, the Release shall become effective only after (1) it is signed by Nahrstadt, (2) it is delivered to the Village President, and (3) the seven-day revocation period has expired (the "**Release Effective Date**")

#### **Section 7. Potential Extended Employment.**

A. Agreement to Continue Service as Village Manager. In the event the Board of Trustees has not hired a successor village manager who is ready to begin work on or before the Proposed Retirement Date, Nahrstadt will, at the request of the Board of Trustees, continue serving as Village Manager on a month-to-month basis for a period not to extend beyond September 30, 2021 (the "**Extended Employment Period**").

B. Employment Terms. The terms and conditions of the Employment Agreement will remain in full force and effect during the Extended Employment Period. Nahrstadt's salary will be at Nahrstadt's rate of pay as of the Effective Date of this Fourth Amendment, which rate of pay includes the 2.5% COLA adjustment to Nahrstadt's rate of pay described in Section 7.C of this Fourth Amendment.

C. COLA Adjustment to Rate of Pay. Nahrstadt's base salary is retroactively increased by 2.5% effective May 1, 2021, and continuing through the Actual Retirement Date. Prior to the Actual Retirement Date, the Village agrees to make a lump sum "true up" payment to Nahrstadt of any unpaid incremental amounts of Nahrstadt's rate of pay for the period from May 1, 2021 through the Actual Retirement Date.

**Section 8. Amendment to Section 11 of Second Amendment.**

Section 11(a) of the Second Amendment is hereby amended in its entirety to read as follows: [additions are in **bold underline** and deletions are ~~struck through~~]:

**"At any time prior to the Retirement Date, ~~The~~ the Board of Trustees may determine ~~at any time~~, without cause, that the Employee will no longer serve as the Village Manager. In the event of termination without cause, the Employee will be entitled to ~~severance pay and benefits~~ Retirement Benefits as defined in, and as set forth in, ~~Section 12 of this Agreement~~ Section 4 of the Fourth Amendment to this Agreement."**

**Section 9. General Provisions**

**A. Notices**

Any notice or communication required or permitted to be given under either the Fourth Amendment or the Second Amendment will be in writing and will be delivered (i) personally, (ii) by a reputable overnight courier, or (iii) by certified mail, return receipt requested, and deposited in the U.S. Mail, postage prepaid addressed as follows:

If to the Village:

Village President  
Village of Northbrook  
1225 Cedar Lane  
Northbrook, IL 60062

With copy to:

Steven M. Elrod, Village Attorney  
Elrod Friedman LLP  
325 South LaSalle Suite 450  
Chicago, IL 60654

If to Nahrstadt:

Richard A. Nahrstadt  
Village of Northbrook  
1225 Cedar Lane  
Northbrook, IL 60062

**EXHIBIT A**

**RELEASE**

This Release (“**Release**”) is made by Richard A. Nahrstadt (“**Nahrstadt**”) for the benefit of the Village of Northbrook (“**Village**”).

**WHEREAS**, Nahrstadt has been employed as the Village Manager of the Village of Northbrook; and

**WHEREAS**, Nahrstadt desires to retire from employment; and

**WHEREAS**, pursuant to and in accordance with the Fourth Amendment to Employment Agreement by and between the Village and Nahrstadt and dated June \_\_, 2021 (“**Fourth Amendment**”) upon retirement, Nahrstadt is entitled to certain Retirement Benefits (as defined in the Fourth Amendment) provided that Nahrstadt executes this Release; and

**WHEREAS**, Nahrstadt desires to execute this Release in order to receive the Retirement Benefits.

**NOW, THEREFORE**, in consideration of the receipt of the Retirement Benefits, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Nahrstadt agrees as follows:

1. **Retirement from Employment**. Nahrstadt acknowledges and agrees that Nahrstadt voluntarily retired from employment with Village on \_\_\_\_\_, 2021 (“**Retirement Date**”). Nahrstadt acknowledges receipt of all wages, accrued but unused vacation pay, leave (whether statutory or otherwise) and other benefits due Nahrstadt from the Village through the Retirement Date.

2. **Retirement Benefits**. On the Release Effective Date, as defined in Section 19 of this Release, and subject to the terms of the Fourth Amendment and this Release, the Village will commence providing Nahrstadt with the Retirement Benefits, except as expressly provided otherwise in the Fourth Amendment.

3. **Consideration**. Nahrstadt acknowledges and agrees that the provision by the Village of the Retirement Benefits will discharge all obligations of the Village to Nahrstadt for wages, benefits, bonuses, vacation pay, termination or severance pay, damages of any kind, costs, or any other expectation of remuneration or benefit on the part of Nahrstadt. Nahrstadt acknowledges that Nahrstadt would not otherwise be entitled to the above consideration in the absence of Nahrstadt signing this Release, that said consideration constitutes a substantial economic benefit to Nahrstadt, and that it constitutes good and valuable consideration for the various commitments undertaken and releases provided by Nahrstadt in this Release.

4. **Parties Released**. For purposes of this Release, the term “**Releasees**” means the Village and each and all of its elected and appointed officials, members, employees, transferees, agents, legal counsel, and insurers, jointly and separately, individually and in their representative capacities.

5. General Release. Nahrstadt, on behalf of Nahrstadt and Nahrstadt's personal and legal representatives, heirs, devisees, executors, successors, and assigns, hereby acknowledges full and complete satisfaction of, and fully and forever waives, releases, acquits, and discharges Releasees from, any and all claims, causes of action, grievances, demands, rights, liabilities, damages of any kind, obligations, costs, expenses, and debts, of every kind and nature whatsoever, whether based on statute, tort, contract, common law, or other theory of recovery, whether known or unknown, suspected or unsuspected, or fixed or contingent, which Nahrstadt holds or at any time previously held against any of the Releasees, through the date Nahrstadt signs this Release (collectively, "**Claims**"). This general release specifically includes, but is not limited to, any and all Claims:

- a. Arising under, based upon, or in any way related to Nahrstadt's employment with the Village, the terms or conditions of Nahrstadt's employment with the Village, incidents occurring during Nahrstadt's employment with the Village, or the termination of Nahrstadt's employment with the Village;
- b. Arising under, based upon, or in any way related to Title VII of the Civil Rights Act of 1964, as amended; the Civil Rights Act of 1991; 42 U.S.C. §1981; 42 U.S.C §1983, §1985 and §1988; the Age Discrimination in Employment Act; the Americans with Disabilities Act; the Family and Medical Leave Act; the Rehabilitation Act; the Employee Retirement Income Security Act (excepting claims for vested benefits, if any, to which Nahrstadt is legally entitled thereunder); the Genetic Information Non-Discrimination Act; the Equal Pay Act; the National Labor Relations Act; the federal and state Worker Adjustment and Retraining Notification Acts; the Illinois Human Rights Act; the Illinois Wage Payment and Collection Act; the Illinois Personnel Records Review Act; the Cook County Human Rights Ordinance; the U.S. Constitution; the Illinois Constitution; the Northbrook Municipal Code, and any other federal, state, county, or local common law, statute, rule, ordinance, decision, order, policy, or regulation (i) providing for the payment of wages or benefits, (ii) prohibiting employment discrimination, harassment or retaliation, or (iii) or otherwise creating rights or claims for employees, including, but not limited to, any and all claims alleging breach of public policy, the implied obligation of good faith and fair dealing, or any express, implied, oral, or written contract, handbook, manual, policy statement, or employment practice, or claims alleging misrepresentation, defamation, libel, slander, interference with contractual relations, intentional or negligent infliction of emotional distress, invasion of privacy, false imprisonment, assault, battery, fraud, negligence, or wrongful discharge.

6. Agreement Not to Sue; Remedies for Breach. Nahrstadt agrees that Nahrstadt will not initiate, bring or prosecute any suit, action or grievance against any of the Releasees in any federal, state, county, or municipal court or administrative proceeding, or any arbitral forum, with respect to any of the Claims released in this Release, except as specifically stated herein. Nahrstadt further agrees that if any such Claims are filed, pursued or otherwise prosecuted, Nahrstadt waives Nahrstadt's right to any relief sought in connection with such Claims, including the right to damages, attorneys' fees, costs, and all other legal or equitable relief. Nahrstadt further agrees that if Nahrstadt files, pursues or otherwise prosecutes any such Claims, Nahrstadt will be liable for

the payment of all damages and costs, including attorneys' fees, incurred by any of the Releasees in connection with such Claims. Nahrstadt further agrees that if a trier-of-fact finds that Nahrstadt has otherwise breached any of the terms of this Release, Nahrstadt will be liable for the payment of all damages, costs and expenses, including attorneys' fees, incurred by any of the Releasees in connection with such breach. This agreement not to sue does not prohibit Nahrstadt from pursuing a lawsuit, claim or charge to challenge the validity or enforceability of this Release under the Age Discrimination in Employment Act ("**ADEA**"), the Older Workers Benefit Protection Act ("**OWBPA**"), or the Illinois Workplace Transparency Act ("**IWTA**"), nor does it render Nahrstadt liable for damages or costs, including attorneys' fees, incurred by the Releasees, in connection with a lawsuit, claim or charge to challenge the validity or enforceability of this Release under the ADEA, the OWBPA, or the IWTA. This agreement not to sue also does not prohibit Nahrstadt from providing any testimony pursuant to a subpoena or court order, nor does it prohibit Nahrstadt from contacting, cooperating with, providing information to, or filing a charge or complaint with the Equal Employment Opportunity Commission ("**EEOC**"), the Department of Labor ("**DOL**"), or any other federal or state governmental agency, or participating in any way in an investigation resulting from such a contact, charge or complaint, whether initiated by Nahrstadt or someone else. However, Nahrstadt agrees, as a condition of this Release, not to accept any monetary or other personal relief, remedies, damages, benefits, or payments, including but not limited to, back pay, front pay, reinstatement, or compensatory or other damages, that may be awarded or available to Nahrstadt.

7. Intended Scope of Release. It is the intention of Nahrstadt and is fully understood and agreed by Nahrstadt that this Release includes a general release of all Claims that Nahrstadt holds or previously held against any of the Releasees, whether or not they are specifically referred to herein. No reference herein to any specific claim, statute or obligation is intended to limit the scope of this general release and, notwithstanding any such reference, this Release will be effective as a full and final bar to all Claims that are released in this Release. In addition to the waiver and release of all other claims, this Release results in the wavier of and release by Nahrstadt of all claims arising under the Age Discrimination in Employment Act of 1967, 29 U.S.C. §§ 621, et seq. ("**ADEA**"). In exchange for the waiver and release by him of all ADEA claims, Nahrstadt acknowledges that he is receiving consideration in addition to anything of value to which he already is entitled.

8. No Fair Labor Standards Act Claims. Nahrstadt represents that Nahrstadt is not aware of any facts that would support a claim against Releasees for any violation of the Fair Labor Standards Act or comparable state law.

9. No Admission of Liability. Nothing in this Release constitutes or will be construed as an admission of liability on the part of any of the Releasees. The Releasees expressly deny any liability of any kind to Nahrstadt, and particularly any liability arising out of or in any way related to Nahrstadt's employment with the Village or the termination of Nahrstadt's employment with the Village.

10. Return of Confidential Information. Nahrstadt acknowledges and agrees that, during Nahrstadt's employment with the Village, Nahrstadt was provided and had access to and possession of confidential, proprietary, and non-public information belonging or relating to Releasees, including but not limited to, information relating to Releasees' services, plans, projects, products, residents, personnel information, and strategies (collectively, "**Confidential**

**Information**”). Nahrstadt agrees to strictly maintain the confidentiality of all such Confidential Information. Nahrstadt represents and warrants that Nahrstadt has returned to the Village all documents, physical items and electronic data in Nahrstadt’s possession or control, including but not limited to, all computers, PDAs, thumb or flash drives, portable media devices, email, documents, spreadsheets, and records (collectively, “**Village Property**”).

Nahrstadt further acknowledges and agrees that the terms and conditions of this Release are matters of public record and may be subject to release under the Illinois Freedom of Information Act, 5 ILCS 140/1 *et seq.*

11. Consultation with Counsel. The Village hereby advises Nahrstadt to consult with an attorney prior to signing this Release. Any such consultation will be at Nahrstadt’s expense. Nahrstadt acknowledges that Nahrstadt has been advised of Nahrstadt’s right to consult with an attorney of Nahrstadt’s choice and that Nahrstadt had the opportunity to consult with an attorney before signing this Release.

12. Twenty-One (21) Days to Sign. Nahrstadt will have a period of 21 days within which to consider and sign this Release. Nahrstadt may sign this Release at any time within this 21-day period, knowingly and voluntarily waiving any further time for consideration. Nahrstadt acknowledges that no deadline of less than 21 days has been imposed on Nahrstadt to sign this Release and that Nahrstadt has had time to read and consider this Release before signing it.

13. Written Revocation. Nahrstadt may revoke this Release in writing at any time within seven days after signing it, by delivering written notice of revocation to Steven M. Elrod, Village Attorney, Elrod Friedman LLP, 325 N. LaSalle Street, Suite 450, Chicago, Illinois 60654, [steven.elrod@elrodfriedman.com](mailto:steven.elrod@elrodfriedman.com), the Village’s designated agent for this purpose. Nahrstadt acknowledges and agrees that if Nahrstadt does so revoke, this Release will be null and void and the Village will have no obligation to furnish the consideration recited above, nor any other obligation under this Release. This Release will not become effective and enforceable until the expiration of the seven-day revocation period provided in this Section. After such time, if there has been no written revocation, this Release will be fully effective and enforceable.

14. Warranty of Understanding; Voluntary Nature of Release. Nahrstadt acknowledges that Nahrstadt has carefully read and fully understands all of the provisions of this Release, that Nahrstadt knows and understands the rights Nahrstadt is waiving by signing this Release, and that Nahrstadt is entering into this Release knowingly and voluntarily, without coercion, duress or overreaching of any sort. Nahrstadt further acknowledges that in making this Release, Nahrstadt has relied upon Nahrstadt’s own judgment, belief and knowledge of the nature, extent and duration of any injuries, losses and damages, and no representations or statements regarding said injuries, losses or damages, or regarding any other matters, made by Releasees or any persons representing them, have been relied upon by Nahrstadt to any extent whatsoever in making this Release.

15. Ownership of Claims. Nahrstadt represents and warrants that Nahrstadt is the sole owner of all Claims released herein, that Nahrstadt has not assigned, transferred or encumbered all or any part or interest in such Claims, and that Nahrstadt possesses full right, power and authority to sign this Release and thereby to fully and effectively release and extinguish all such Claims.



16. Taxes. Nahrstadt agrees that Nahrstadt is responsible for the payment of all federal, state and local taxes, of any type whatsoever, due from Nahrstadt and resulting from the above payment of Retirement Benefits to Nahrstadt. Nahrstadt agrees to indemnify the Village for any monies (including tax, interest and penalties) paid by the Village to the IRS or any state or local taxing authority as a result of the non-payment by Nahrstadt of any required taxes. Nahrstadt agrees to apportion the above payment as necessary among Nahrstadt's attorneys or other individuals that may have liens or rights of subrogation or reimbursement. Nahrstadt represents that the fees and costs of Nahrstadt's attorneys have been or will be fully satisfied out of the above payment, or otherwise compromised, that it is Nahrstadt's responsibility to assure satisfaction or compromise of all such fees and costs, and that Releasees are not responsible for such fees and costs.

17. Severability/Modification. The provisions of this Release are fully severable. Therefore, if any provision of this Release is for any reason determined to be invalid or unenforceable, such invalidity or unenforceability will not affect the validity or enforceability of any of the remaining provisions. Further, any invalid or unenforceable provisions will be modified or restricted to the extent and in the manner necessary to render the same valid and enforceable, or, if such provision cannot under any circumstances be modified or restricted, it will be excised from the Release without affecting the validity or enforceability of any of the remaining provisions.

18. Successors and Assigns. This Release will be binding upon, and will inure to the benefit of, Nahrstadt and Nahrstadt's personal and legal representatives, heirs, devisees, executors, successors, and assigns.

19. Effective Date of Release. This Release shall become effective only after (1) it is signed by Nahrstadt, (2) it is delivered to the Village President, and (3) the seven-day revocation period set forth in Section 14 of this Agreement has expired (the "***Release Effective Date***").

Dated: \_\_\_\_\_, 2021

\_\_\_\_\_  
Richard A. Nahrstadt

Subscribed and sworn to before  
me this \_\_\_ day of \_\_\_\_\_, 2021.

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

**B. Integration**

The Employment Agreement, as defined in this Fourth Amendment, constitutes the sole and entire agreement between the Village and Nahrstadt relating to the employment of Nahrstadt by the Village, and to the retirement from employment by Nahrstadt.

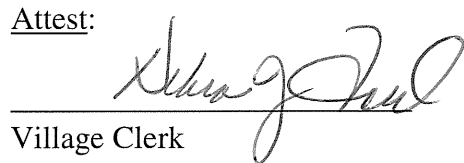
**Executed as of the date stated on the first page of this Fourth Amendment.**

VILLAGE OF NORTHBROOK

By:

  
Village President

Attest:

  
Village Clerk

  
Richard A. Nahrstadt