



Department of Tourism and Special Events

TO: The Honorable Mayor and City Council

FROM: Doug McCarty, Director of Tourism and Special Events

DATE: March 30, 2022

SUBJECT: Athletico Renewal – Fourth Amendment to Lease

DISCUSSION: Athletico Physical Therapy began renting space at EastSide Centre in 2009. Their current lease expires September 30, 2022. Both parties have agreed to extend the lease for another five years, beginning October 1, 2022, through September 30, 2027.

RECOMMENDATION: Approve the Fourth Amendment to Lease between the City of East Peoria and Athletico Physical Therapy

RESOLUTION NO. 2122-126

East Peoria, Illinois
_____, 2022

RESOLUTION BY COMMISSIONER _____

**RESOLUTION AUTHORIZING FOURTH AMENDMENT TO LEASE
AGREEMENT WITH ACCELERATED HEALTH SYSTEMS**

WHEREAS, the City has previously entered into a Lease Agreement with Accelerated Health Systems for use of a portion of the EastSide Centre facilities for providing rehabilitative services for their patients (the “EastSide Lease”); and

WHEREAS, the rehabilitative services provided at EastSide Centre facilities under the EastSide Lease are provided by Athletico Management LLC in cooperation with Accelerated Health Systems under the “Athletico” name; and

WHEREAS, the parties now seek to extend this leasing arrangement for an additional five-year (60-month) period, which will allow for the continued ability to provide these rehabilitative services under the Athletico name for residents of the City and adjacent communities; and

WHEREAS, City Officials have negotiated a five-year extension of the EastSide Lease with two additional five-year extension renewal options as provided in the Fourth Amendment to Lease and set forth in Exhibit A, attached hereto and incorporated by reference (the “Fourth Amendment”), which provides an increase in the base rent during the renewal option periods and a tenant allowance for improvements to the facilities provided to Accelerated Health Systems under this leasing arrangement; and

WHEREAS, the City hereby finds that it is in the best interest of the City to continue this leasing arrangement with Accelerated Health Systems at EastSide Centre under the management of Athletico and to enter into this Fourth Amendment with Accelerated Health Systems;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF EAST PEORIA, TAZEWELL COUNTY, ILLINOIS, THAT:

Section 1. The above recitations are found to be true and correct.

Section 2. The Fourth Amendment to the EastSide Lease with Accelerated Health Systems as set forth in Exhibit A is hereby approved.

Section 3. The Mayor or his designee is hereby authorized to execute this Fourth Amendment with Accelerated Health Systems for leasing a portion of the EastSide Centre's facilities for providing rehabilitative services as set forth in Exhibit A, with any changes approved by the Mayor; provided, however, that the City shall have no obligation under the Fourth Amendment to the EastSide Lease with Accelerated Health Systems until such time as an executed original of such documentation has been delivered to Accelerated Health Systems.

APPROVED:

Mayor

ATTEST:

City Clerk

EXHIBIT A

**Fourth Amendment to Lease Agreement:
Accelerated Health Systems LLC**

FOURTH AMENDMENT TO LEASE

This FOURTH AMENDMENT TO LEASE (this “Amendment”) is made and entered into as of _____, 2022 (the “Effective Date”) by and between THE CITY OF EAST PEORIA, an Illinois municipal corporation (the “Landlord”), and ACCELERATED HEALTH SYSTEMS, LLC, an Illinois limited liability company (the “Tenant”).

RECITALS

A. Landlord and Tenant are parties to that certain Lease dated August 1, 2009 (the “Original Lease”), as amended pursuant to that certain First Addendum to Lease dated October 1, 2010 (the “First Amendment”), and that certain Second Addendum to Lease dated September 1, 2012 (the “Second Amendment”), and that certain Third Amendment to Lease dated October 6, 2015 (the “Third Amendment”; together with the Original Lease, the First Amendment, the Second Amendment, and the Third Amendment (collectively the “Lease”), pursuant to which Landlord leases to Tenant, and Tenant leases from Landlord, approximately 1,200 rentable square feet of space commonly known as One Eastside Drive, East Peoria, Illinois 61611 (the “Premises”);

B. Landlord and Tenant have agreed to amend the Lease to extend the term, as well as make certain other changes, all pursuant to the terms and conditions of this Amendment.

NOW, THEREFORE, for and in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree as follows:

1. Recitals; Capitalized Terms. Landlord and Assignor acknowledge and agree that the recitals are incorporated herein and made a part of this Amendment. Capitalized terms used but not defined in this Amendment shall mean as defined in the Lease.

2. Extension of Term. The current term of the Lease shall be extended for an additional sixty (60) months commencing on October 1, 2022 and continuing until 11:59 p.m. on September 30, 2027 (the “Extended Term”). The Base Rent for the Extended Term shall be as follows:

Period	Annual Base Rent	Monthly Base Rent	PSF
10/1/2022 - 09/30/2027	\$41,700.00	\$3,475.00	\$34.75

3. Renewal Option. Tenant shall have two (2) options to extend the Extended Term for an additional period of five (5) years each (each a “Renewal Option”; and the terms of such Renewal Options shall be referred to each as a “Renewal Term”) upon the terms and conditions contained herein, except that the Base Rent for the Renewal Terms shall be as follows:

Renewal Option #1 (if applicable):

Period	Annual Base Rent	Monthly Base Rent	PSF
10/1/2027 - 09/30/2032	\$45,864.00	\$3,833.00	\$38.22

Renewal Option #2 (if applicable):

Period	Annual Base Rent	Monthly Base Rent	PSF
10/1/2032 - 09/30/2037	\$50,457.00	\$4,204.75	\$42.04

Tenant shall provide Landlord with written notice of its intent to extend the term of the Extended Term or Renewal Term of the Lease at least six (6) months prior to the expiration of the then-current term (the "Renewal Notice"). Otherwise, Tenant shall forfeit its right to renew the Lease and the Lease shall terminate at the conclusion of the then-current term, unless otherwise agreed to by Landlord in writing.

4. Tenant Improvement Allowance. Landlord shall reimburse Tenant a sum of Twelve Thousand and 00/100 Dollars (\$12,000.00) (the "Tenant Improvement Allowance") for the cost of Tenant's improvements to the Premises. The Tenant Improvement Allowance shall be paid to Tenant upon completion of work, proof of cost for expenditures in excess of \$5,000.00, and submission of general contractor lien waiver. If Landlord fails to pay the Tenant Improvement Allowance within ten (10) days thereafter, Tenant shall have the right to offset such amounts from rent until paid in full.

5. New Signage. Pursuant to Section 18 of the Lease, Tenant will be permitted to add exterior signage to the exterior of the Building that will require electricity to illuminate. At the execution of this Fourth Amendment, the parties anticipate that the cost this electricity will be *de minimus*. However, Landlord shall monitor the monthly electrical charges after the exterior illuminated signage is installed for a period of 12 months, and should the Landlord determine that an adjustment is appropriate to cover the additional electrical cost for this signage, Landlord shall provide notice to Tenant, and the parties agree to establish a reasonable rent surcharge to cover such additional cost.

6. Termination Option. Tenant shall have an ongoing option to terminate the Lease effective on the last day of the thirty-sixth (36th) month following the Effective Date hereof or on the last day of any calendar month thereafter, with six (6) months' prior written notice to Landlord. Tenant shall pay a termination fee equal to unamortized leasing costs (including commissions and tenant improvement allowance) for the then-current Extended Term or Renewal Term at four percent (4%) per annum along with the termination notice.

7. Notices. All notice or other correspondence which is required or permitted to be given in connection with the Lease shall be in writing and sent to Tenant at the following address

If to Tenant: Accelerated Health Systems, LLC
c/o Athletico Management, LLC
2122 York Road, Suite 300
Oak Brook, Illinois 60523
Attn: Real Estate Department

WITH A COPY TO:

Accelerated Health Systems, LLC
c/o Athletico Management, LLC

2122 York Road, Suite 300
Oak Brook, Illinois 60523
Attn: Legal Department
Email: legalaffairs@athletico.com

AND WITH A COPY TO:

Accelerated Health Systems, LLC
c/o CBRE Group

Attn: Athletico Property Management
Email: PS_athleticodocs@cbre.com

8. Broker. Landlord and Tenant represent and warrant to the other that they have dealt only with the CBRE (“Broker”) in connection with this Amendment and that, insofar as they know, no other broker is entitled to any commission in connection with this Amendment. Landlord will pay any commission owed to Broker, per a separate written agreement between Broker and Landlord, and will indemnify and defend Tenant from and against all claims (and costs of defending against and investigating such claims) of any broker or similar parties, including Broker, claiming under Landlord in connection with this Amendment.

9. Miscellaneous.

(a) Conflict. If, and to the extent, the terms and provisions of this Amendment contradict or conflict with the terms and provisions of the Lease, the terms and provisions of this Amendment shall govern and control; *provided, however*, to the extent the terms and provisions of the Amendment do not contradict or conflict with the terms and provisions of the Lease, the Lease, as amended by this Amendment, shall remain in and have its intended full force and effect, and each of Landlord and Tenant hereby affirm, confirm and ratify the same.

(b) Execution. This Amendment may be executed in multiple counterparts, each of which shall constitute an original but when taken together constitute one and the same instrument. Facsimile signatures or other digital images (*e.g.*, pdf) constitute originals for all purposes under this Amendment.

Except as amended by the First Amendment, the Second Amendment, the Third Amendment, and this Fourth Amendment, the Lease is not otherwise amended, and the Lease is hereby ratified and confirmed and remains in full force and effect, as amended hereby. In the event of a conflict between the terms of this Fourth Amendment and the terms of the Lease, the terms of this Fourth Amendment shall control. Capitalized terms used in this Fourth Amendment not defined herein shall have the meanings set forth in the Lease.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have duly executed this Amendment as of the date first set forth above.

LANDLORD:

THE CITY OF EAST PEORIA,
an Illinois municipal corporation

By: _____
Name: John P. Kahl
Its: Mayor

TENANT:

ACCELERATED HEALTH SYSTEMS, LLC,
an Illinois limited liability company

By: _____
Name:
Its: