

**CLERK'S CONTRACT and AGREEMENT COVER PAGE**

**Legistar File ID#:**

**Innoprise Contract #:**

**Year:**

**Amount:**

**Department:**

**Contract Type:**

**Contractors Name:**

**Contract Description:**

## **FIRST AMENDMENT TO MANAGEMENT AGREEMENT**

The First Amendment to the Management Agreement ("First Amendment") is made and entered into as of ~~July 20~~<sup>SEP 20</sup>, 2019 to be effective as of January 2, 2020, by and between **VILLAGE OF ORLAND PARK** ("Client") and **POWER WELLNESS MANAGEMENT, LLC**, an Illinois Limited Liability Company Manager ("Manager").

### **RECITALS**

- A. On January 2, 2017, Client and Manager entered into a Management Agreement (the "Agreement") for Manager to operate and manage the Facility located in Orland Park, Illinois (the "Facility"), now known as Oland Park Health & Fitness Center.
- B. Pursuant to Section 1 of the Management Agreement, the term of the current Management Agreement in place is set to expire January 1, 2020.
- C. Client and Manager consent to extend the Management Agreement for a three-year term from January 2, 2020 to and including January 1, 2023, with an option to extend the Agreement for a two-year period up to and including January 1, 2025 pursuant to the terms of this First Amendment as set forth below.

**NOW THEREFORE**, in consideration of the mutual covenants and agreements contained in this Amendment, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Client and Manager hereby agree as follows:

1. **Recitals Incorporated; Certain Defined Terms.** The recitals set forth above are incorporated into this Amendment and shall be deemed terms and provisions hereof, the same as if fully set forth in this Paragraph 1. All capitalized terms used herein not otherwise defined shall have the meanings ascribed to them in the Agreement.

2. **Term.** The Term of the Agreement is hereby extended from January 2, 2020 to and including January 1, 2023. The parties can consent to extend the Management Agreement and First Amendment for a two year period up to and including January 1, 2025 upon written confirmation at least 180 days prior to January 1, 2023.


3. **Management Fee.** The monthly base and annual at-risk management fees are updated based on Exhibit B attached hereto. Exhibit B attached to this First Amendment replaces and supersedes Exhibit B attached to the Management Agreement.

4. **Effect of First Amendment.** This First Amendment modifies and amends the Management Agreement, and the terms and provisions hereof shall supersede and control over any contrary or conflicting terms and provisions set forth in the Agreement. The remaining provisions of the Management Agreement remain in full force and effect except as set forth herein.

5. **Counterparts.** To facilitate execution of this First Amendment, this First Amendment may be executed in multiple counterparts, each of which, when assembled to include an original signature for each party contemplated to sign this First Amendment, will constitute a complete and fully executed original. All such fully executed original counterparts will collectively constitute a single agreement. Each counterpart may be delivered by facsimile or pdf transmission.

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be executed effective as of the day first written above.

**VILLAGE OF ORLAND PARK**

Name: 

Title: Attn: Village Manager

**POWER WELLNESS MANAGEMENT, LLC**

Name: 

Title: PRESIDENT

### **Exhibit B: Management Fees**

The total annual "base" management fee (excluding the expenses set forth in Section 2.I(b)) shall be payable, on a monthly basis, in accordance with the table below. The "incentive " fee shall be paid to Manager based on Manager's performance achieving the performance metrics outlined below. The "incentive" portion shall be paid within forty-five day of the end of each year based on documentation provided by Manager within fifteen (15) days of the end of each year:

	Year				
	2020	2021	2022	2023	2024
Base Fee	\$ 105,000	\$ 107,500	\$ 110,000	\$ 110,000	\$ 110,000
Incentive Fee	50,000	50,000	50,000	50,000	50,000
Total	\$ 155,000	\$ 157,500	\$ 160,000	\$ 160,000	\$ 160,000

#### **Incentive Fee Performance Metrics:**

Member Satisfaction Survey (20% weight) – measured annually each Spring.

Achieving a 55% or better ("Very Good Category") Net Promoter Score on the annual member survey.

Financial Outcomes (40% weight) - measured annually at each end of December.

Obtain or exceed approved budgeted net operating income (net income before management fee, debt service, and depreciation).

Billable Member Goals (40% weight) - measured annually at each end of December.

Obtain or exceed the approved budgeted ending billable members.