

**Modification #3 to the Lease and  
Management Agreement (#14198) for Winchester House**

This third contract modification (“Modification #3”) is between the County of Lake, Illinois, an Illinois body politic and corporate (“Landlord”), and Transitional Care of Lake County, LLC, an Illinois Limited Liability Corporation (“Tenant”), and relates to the parties’ *Lease and Management Agreement* (“Lease”), under which Tenant leases and manages the County-owned skilled nursing facility known as Winchester House (the “Facility”).

**RECITALS**

Whereas:

- a. On May 12, 2015, the Parties entered into an *Operations Transfer Agreement* and a *Lease and Management Agreement* for the County’s skilled nursing facility known as Winchester House.
- b. Under the terms of those agreements, Tenant began managing the Facility as of August 1, 2015, and since that time has also worked to plan and construct a replacement facility. Construction is currently ongoing.
- c. On January 20, 2017, the Parties entered into a *Modification to the Lease and Management Agreement* (#14198), and on August 27, 2018, the Parties entered into a second modification to the *Lease and Management Agreement* (#14198).
- d. At all times, the County has maintained a fund call the Winchester House Donation Fund, which contains money designated for improvements at the facility to better service the residents of Winchester House. Funds have been previously used to pay for both services that benefitted residents, as well as capital items that improved the resident experience at Winchester House.
- e. This third modification arises from the Tenant’s request to use the remaining monies in the Winchester House Donation Fund to provide better beds and mattresses for the residents, once they have moved to the new facility. The improved beds would be seven inches wider than a standard 35-inch bed.
- f. The Tenant presented this proposal to the Winchester House Advisory Board (WHAB), which voted to approve the request at the WHAB’s meeting held on August 29, 2019.

**In light of the foregoing, the parties now agree as follows:**

1. **Incorporation of Recitals; Capitalized Terms.** The recitals above are incorporated into the body of this Agreement, as if set forth here in their entirety. Capitalized terms used and not otherwise defined herein shall have the meanings given to such terms in the *Lease and Management Agreement*.

2. **Release of Payment; Purchase of Upgraded Beds.** The County agrees to release \$175,000 from its Winchester House Donation Fund to Tenant for the purpose of securing beds upgraded from 35 inches to 42 inches. In return, Tenant agrees to secure a contract for the upgraded beds and apply the \$175,000 to that contract.

3. **Terms of the First and Second Modifications.** Except as stated in this Modification #3, all terms of the Parties' initial modifications shall continue to have effect.

4. **Counterparts.** The parties may sign this Modification #3 in several counterparts, each of which will be deemed an original but all of which together will constitute one instrument.

5. **Effective Date.** This Agreement will become effective when all of the parties have signed it, and the date this Agreement is signed by the last party to sign it (as indicated by the date associated with that party's signature) will be deemed the "Effective Date" of this Agreement. If a party signs but fails to date a signature, the date that the other party receives the signing party's signature will be deemed to be the date that the signing party signed this agreement, and the other party may inscribe that date as the date associated with the signing party's signature.

**Signed:**

**LANDLORD:**

COUNTY OF LAKE

**TENANT:**

TRANSITIONAL CARE OF LAKE COUNTY, LLC, an Illinois limited liability company

By: IHOP JV OPCO, LLC, a Delaware Limited liability company, its managing member

By: Innovative Health, LLC, an Illinois limited liability company, its Manager

By: \_\_\_\_\_

Name: Sandra Hart  
Its: County Board Chairman

By: \_\_\_\_\_

Name: Bradley S. Haber  
Title: Manager

Date: \_\_\_\_\_

Date: \_\_\_\_\_