

RESOLUTION OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY

TITLE:

RESOLUTION OF THE MORRIS COUNTY IMPROVEMENT AUTHORITY AUTHORIZING AN AMENDMENT TO THE LEASE AGREEMENT BY AND BETWEEN THE MORRIS COUNTY IMPROVEMENT AUTHORITY AND MORRIS VIEW MANAGEMENT CO, LLC D/B/A MORRIS VIEW HEALTHCARE CENTER

WHEREAS, pursuant to a certain Lease Agreement dated as of July 27, 2017 (the "County Lease"), by and among the Morris County Improvement Authority (the "Lessor" or "Authority") and the County of Morris (the "County"), the Authority as Lessor acquired possession of certain Premises, all as depicted on Exhibit "A" to the County Lease (of which the Leased Premises – the Morris View Nursing Home, also known as the Facility - is a portion thereof), from the County, and possession of certain other assets including furniture, fixtures, equipment and inventory, from the County; and

WHEREAS, the Authority issued a Request for Proposals (the "RFP"), a copy of which is attached to the hereinafter defined Original Lease Agreement as Exhibit "B", and is incorporated into the Original Lease Agreement (and the First Amendment thereto authorized by this Resolution) by reference, pursuant to which Morris View Management Co., LLC D/B/A Morris View Healthcare Center provided its Response (the "Response") thereto; and

WHEREAS, the Authority accepted the Response from the Lessee, and, pursuant to Authority Resolution No. 17-28, dated June 28, 2017, agreed to sublease the Leased Premises and the Equipment (each as defined in the Original Lease Agreement) to Morris View Management Co., LLC D/B/A Morris View Healthcare Center (the "Lessee" and, together with the Authority as Lessor, the "Parties") and transfer the business (all collectively referred to in the Original Lease Agreement as the "Facility") in accordance with the Original Lease Agreement; and

WHEREAS, the Authority, as Lessor, and the Lessee subsequently entered into the Lease Agreement dated as of July 27, 2017 and a First Amendment to Lease Agreement (together, the "Original Lease Agreement"); and

WHEREAS, subsequent thereto, the Lessee desires to undertake certain improvements to the Facility, and also, to make provision for Lessee Medicaid screening reimbursement shortfalls, all as set forth in the hereinafter defined Second Amendment; and

WHEREAS, specifically, the Parties have agreed that Lessee will install a new Nurse Call Bell System in the Facility (the "System"), which the County had originally contemplated installing, using County provided specifications for the same (appended to the Second

Amendment as Exhibit A), and in consideration thereof, Lessor will pay Lessee up to \$350,000 towards the cost of the System in the manner provided for in the Second Amendment; and

WHEREAS, the County and Lessor are required, for fire safety reasons, and the Lessor desires to install a canopy outside the Facility (the "Canopy"); and

WHEREAS, the Lessee has agreed to install the Canopy at the Facility, using County provided specifications for the same (appended to the Second Amendment as Exhibit B), and the County and the Lessor agree to pay up to \$105,000 towards the costs of the Canopy, in the manner provided for in the Second Amendment; and

WHEREAS, due to an acuity audit of the Facility, it has been learned that the Lessee is collecting \$2.35 per diem *less* in Medicaid screen reimbursements than it thought it would when it submitted its Response to the RFP for the Original Lease Agreement, and, as a result, from November 1, 2017 through to December 31, 2019, that shortfall in Medicaid screen reimbursements for the 283 existing beds within the Facility, will total approximately \$332,687.00 (the "Medicaid Shortfall"), as trued up as discussed in the Second Amendment; and

WHEREAS, in further consideration of the Lessee's operation of the Facility under the Original Lease Agreement, the County and Lessor are willing to reimburse Lessee for the Medicaid Shortfall in the manner provided in the Second Amendment; and

WHEREAS, the Parties have agreed that, in lieu of actual payment, the cost of the System, the Canopy and the Medicaid Shortfall shall be paid to the Lessee from the Lessor in the form of credits against the Rent and/or the Additional Rent due Lessor for the Facility, in the manner set forth in the Second Amendment; and

WHEREAS, pursuant to Section 23.01 of the Original Lease Agreement, the Original Lease Agreement may be amended in writing and signed by the Parties; and

WHEREAS, on the basis of the foregoing Recitals, the Parties are desirous of entering into a Second Amendment to Lease Agreement (the "Second Amendment"), in substantially the form appended hereto, to memorialize the foregoing, and the Authority is desirous of approving this Resolution to approve entry into the Second Amendment.

NOW THEREFORE BE IT RESOLVED by the Board of Commissioners of the Authority, as follows:

Section 1. The aforementioned recitals are incorporated herein as though fully set forth at length.

Section 2. The Second Amendment is hereby approved. The Chairperson of the Authority (including his designees, each an "Authorized Officer"), is hereby authorized and directed, in consultation with counsel to the Authority, to execute and deliver the Second Amendment in the form set forth in Exhibit A attached hereto, with such additions, modifications or deletions recommended by counsel to the Authority and agreed by the parties to such Second

Amendment. The Authorized Officer's signature on the Second Amendment shall conclusively evidence the Authority's approval of such Second Amendment in the form as executed.

Section 3. The Secretary of the Authority is hereby authorized to attest to the execution of the Second Amendment and affix the Authority seal onto same.

Section 4. Each Authorized Officer of the Authority is hereby authorized to take all action deemed necessary, useful or convenient in connection with the foregoing and in furtherance of the Second Amendment.

Section 5. Subject to the second sentence of this section, and subject to approval of the Second Amendment by the County, this resolution shall take effect immediately. In accordance with N.J.S.A. 40:37A-50, the Secretary of the Authority is hereby authorized and directed to submit to each member of the Board of Chosen Freeholders of the County, by the end of the fifth business day following this meeting, a copy of the minutes of this meeting. The Secretary is hereby further authorized and directed to obtain from the Clerk of the Board of Chosen Freeholders of the County a certification from the Clerk stating that the minutes of this meeting have not been vetoed by the Director of the Board of Chosen Freeholders of the County.

[Remainder of page intentionally left blank.]

MOVED/SECONDED:

Resolution moved by Commissioner _____.

Resolution seconded by Commissioner _____.

VOTE:

Commissioner	Yes	No	Abstain	Absent
Gallopo				
Bauer				
Ramirez				
Sandman				
Bonanni				

This Resolution was acted upon at the Regular Meeting of the Authority held on January 15, 2020 at the Authority’s principal corporate office in Morristown, New Jersey.

Attested to this 15th day of January, 2020

By: _____
Secretary of the Authority

FORM and LEGALITY:

This Resolution is approved as to form and legality as of January 15, 2020.

By: _____
Matthew D. Jessup, Member, McManimon, Scotland & Baumann, LLC
Counsel to the Authority
Resolution No. 20-02

Exhibit A

Form of Second Amendment