

SECOND 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**

Dated _____, 2023

SECOND AMENDMENT TO LEASE AGREEMENT

THIS SECOND AMENDMENT TO THE LEASE AGREEMENT dated as of [•], 2023 (the “**Second Amendment to the Lease Agreement**” or the “**Second Amendment**”) by and between the MORRIS COUNTY IMPROVEMENT AUTHORITY, a New Jersey public body corporate and politic, having an address of P.O. Box 900, Morristown, New Jersey 07963-0900 (the “**Lessor**”), and MORRIS VIEW MANAGEMENT CO., LLC, D/B/A MORRIS VIEW HEALTH CENTER, a New Jersey Limited Liability Company, having an address of 115 Dutch Lane Road, Freehold, New Jersey 07728 (the “**Lessee**”) (the Lessor and Lessee each, a “**Party**” and, together, the “**Parties**”). Any terms used herein, and not otherwise defined or modified herein, shall have the meanings ascribed to them in the Lease Agreement dated as of July 27, 2017 (the “**Original Lease Agreement**”) and the First Amendment to the Lease Agreement, dated December 16, 2020 (the “**First Amendment**” together with the Original Lease Agreement, the “**Lease Agreement**”), as may be amended from time to time.

WITNESSETH

WHEREAS, pursuant to a Lease Agreement dated as of July 27, 2017 between the County of Morris (the “**County**”) and the Lessor, Lessor has acquired possession of the Premises (as defined in the Lease Agreement), from the County, and possession of certain other assets including furniture, fixtures, equipment and inventory, from the County; and

WHEREAS, the Lessor issued a Request for Proposals (“RFP”), a copy of which is attached to the Lease Agreement as Exhibit “B”, and is incorporated into the Lease Agreement (and this Second Amendment) by reference, pursuant to which the Lessee provided a response to the RFP (the “Response”); and

WHEREAS, Lessor accepted the Response from the Lessee, and pursuant to Resolution No. 17-28, dated June 28, 2017, agreed to sublease the Leased Premises and the Equipment to Lessee, and transfer the business (all collectively referred to in the Lease as the “**Facility**”) in accordance with the Lease Agreement; and

WHEREAS, the Parties consequently entered into the Lease Agreement; and

WHEREAS, subsequent thereto, the Parties entered into the First Amendment which contemplated certain improvements to the Facility (as defined in the Lease Agreement), including a Nurse Call Bell System, an outdoor canopy, construction of a tub and shower room, made provisions for Lessee Medicaid screening reimbursement shortfalls, the apportionment of utility costs upon the completion of certain HVAC work, deferred Rent given the ongoing COVID-19 pandemic, conveyed certain monetary receivables not addressed in the Original Lease Agreement, and addressed the issue of additional Lease Agreement optional renewals, all as set forth in the First Amendment; and

WHEREAS, pursuant to the First Amendment, the Lessee agreed to install a canopy outside the Facility (the “**Canopy**”) for fire and safety reasons (specifications appended to the First Amendment as Exhibit B), and the Lessor agreed to pay up to \$105,000 towards the costs of the Canopy; and

WHEREAS, pursuant to the First Amendment, the Lessee agreed to construct and renovate four (4) tub and shower rooms at the Facility (the “**Tub and Shower Rooms**”) using designated specifications (the specifications appended to the First Amendment as Exhibit C), and the Lessor agreed to reimburse the Lessee up to \$300,000 towards the costs of the Tub and Shower Rooms; and

WHEREAS, due to certain factors outside the control of the Parties, the costs for the construction of the Canopy and Tub and Shower Rooms exceeded what was originally contemplated in the First Amendment; and

WHEREAS, in further consideration of the Lessee’s operation of the Facility under the Lease, the Parties have agreed the Lessor will reimburse the Lessee up to a total of \$126,050 towards the costs of the Canopy, in the manner set forth herein; and

WHEREAS, in further consideration of the Lessee’s operation of the Facility under the Lease, the Parties have agreed the Lessor will reimburse the Lessee up to a total of \$375,000 towards the costs of the Tub and Shower Rooms in the manner set forth herein; and

WHEREAS, the Parties have agreed that, in lieu of actual payments, the cost of the Canopy and the Tub and Shower Rooms improvements 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; and

WHEREAS, pursuant to Section 23.01 of the Lease Agreement, the 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 this Second Amendment, to memorialize the foregoing.

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, and in the Lease Agreement, as may be amended and supplemented from time to time, and the undertakings of each Party to the other and such other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound hereby, mutually covenant, promise and agree as follows:

Section 1. Amendment to Article 12 to Address the Undertaking of the Canopy. Section 12.08 of the Lease Agreement is hereby amended in its entirety as follows:

“**Section 12.08.** The County and Lessor are required, for fire safety and code related reasons, to install a canopy outside of the Facility (the “**Canopy**”). In addition, the Lessee wants to install the Canopy for aesthetic reasons pertaining to the Facility. In further consideration of the respective rights and obligations of the Parties hereunder, the Lessee has agreed to install the Canopy at the Facility, using County provided specifications for the same (which are appended to the First Amendment as Exhibit B thereto, and incorporated herein by reference as if set forth at length). The Parties agree to confer with respect to the undertaking and installation of the Canopy. In consideration of the Lessee undertaking the development and installation of the Canopy, the County and the Lessor agree to pay up to \$126,050 towards the costs of the Canopy,

payable as set forth below. In lieu of actual payment from the Lessor, the cost of the Canopy shall be paid to the Lessee in the form of credits against the Rent and/or the Additional Rent due Lessor by Lessee for the rental of the Facility, in equal credits over the twelve (12) month period following Lessee's demonstration, to the reasonable, commercial satisfaction of the Lessor, of the completion of the Canopy, in whole or in part, by the Lessee. No credits shall be deducted against the Rent and/or the Additional Rent until Lessee so demonstrates."

Section 2. Amendment to Article 12 to Address the Construction and Renovation of Tub and Shower Rooms. Section 12.09 of the Lease Agreement is hereby amended in its entirety as follows:

"Section 12.09. In further consideration of the respective rights and obligations of the Parties hereunder, the Lessee has agreed to construct and renovate four (4) tub and shower rooms (the "Tub and Shower Rooms") at the Facility, using designated specifications for the same (which are appended to the First Amendment to this Lease as Exhibit C thereto, and incorporated herein by reference as if set forth at length). The Parties agree to confer with respect to the undertaking of the construction and renovation of the Tub and Shower Rooms. In consideration of the Lessee undertaking the construction and renovation of the Tub and Shower Rooms, the County and the Lessor agree to pay up to \$375,000 towards the costs thereof, payable as set forth below. In lieu of actual payment from the Lessor, the cost of the Tub and Shower Rooms construction and renovation shall be paid to the Lessee in the form of credits against the Rent and/or the Additional Rent due Lessor by Lessee for the rental of the Facility, in equal credits over the twelve (12) month period following Lessee's demonstration, to the reasonable, commercial satisfaction of the Lessor, of the completion of the Tub and Shower Rooms construction and renovation, by the Lessee. No credits shall be deducted against the Rent and/or the Additional Rent until Lessee so demonstrates."

Section 3. Reaffirmation of the Lease. Except as amended hereby, the Lease Agreement is reaffirmed and ratified in its entirety.

Section 4. Counterparts. This Second Amendment may be executed and delivered in any number of counterparts, and such counterparts taken together shall constitute one and the same instrument.

Section 5. Governing Law. This Second Amendment shall be construed in accordance with, and governed by, the applicable law of the State of New Jersey, without consideration given to choice of law principles.

[Remainder of this page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF, the Parties hereto have caused this Second Amendment to be executed as of the day and year first above written.

LESSOR:

THE MORRIS COUNTY IMPROVEMENT
AUTHORITY

By: _____

Attest: _____

LESSEE:

MORRIS VIEW MANAGEMENT CO., LLC, D/B/A
MORRIS VIEW HEALTHCARE CENTER

By: _____

Attest: _____