

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 (the "Original Lease Agreement"); and

WHEREAS, subsequent to the execution of the Original Lease Agreement, it came to the attention of the Parties that there were certain assets of the Leased Premises, consisting of accounts receivables in the amount of \$4,385,959.93 as of October 31, 2017 (the "Accounts Receivable") appurtenant to the Facility, which were not specifically addressed or covered by the terms of the Original Lease Agreement, said Accounts Receivable identified in Exhibit "A" to the proposed First Amendment to Lease Agreement, which is provided with this Resolution; and

WHEREAS, in order to address the Accounts Receivable and to avoid any confusion or ambiguity with respect thereto, the Parties are desirous of entering into an amendment to the Original Lease Agreement (the "First Amendment"), to address the classification and definition of

the Accounts Receivable as Equipment associated with the Facility and the Leased Premises, and also to address the payment of consideration for the Accounts Receivable as Additional Rent, all as set forth in the First Amendment; and

WHEREAS, the Parties contemplate that the classification and definition of the Accounts Receivable as Equipment associated with the Facility and the Leased Premises will include those Accounts Receivable outstanding as of close of business on October 31, 2017; and

WHEREAS, in consideration of the foregoing, Lessee has agreed to pay the Authority Additional Rent in the amount of \$2,000,000.00, with \$300,000.00 thereof due and payable to the Authority on December 22, 2017, and the balance of such Additional Rent, in the amount of \$1,700,000.00, to be payable to the Authority, on or before May 1, 2018; and

WHEREAS, on the basis of the foregoing Recitals, the Parties are desirous of entering into the First 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 First 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 First 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 First 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 First Amendment. The Authorized Officer's signature on the First Amendment shall conclusively evidence the Authority's approval of such First Amendment in the form as executed.

Section 3. The Secretary of the Authority is hereby authorized to attest to the execution of the First 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 First Amendment.

Section 5. Subject to the second sentence of this section, 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				
Kovalcik				
Ramirez				
Sandman				
Bonanni				

This Resolution was acted upon at the Regular Meeting of the Authority held on November 21, 2017 at the Authority’s principal corporate office in Morristown, New Jersey.

Attested to this 21st day of November, 2017

By: _____
Secretary of the Authority

FORM and LEGALITY:

This Resolution is approved as to form and legality as of November 21, 2017.

By: _____
Matthew D. Jessup, Member, McManimon, Scotland & Baumann, LLC
Counsel to the Authority
Resolution No. 17-39

Exhibit A

Form of First Amendment