SALEM COUNTY IMPROVEMENT AUTHORITY

Resolution # 2014-160

RESOLUTION

June 12, 2014

Of The Salem County Improvement Authority
In The County Of Salem, State Of New Jersey

RESOLUTION TO SETTLE THE CLAIM OF SALEM COUNTY IMPROVEMENT AUTHORITY
V. THE COUNTY OF SALEM, DOCKET NO. SLM-L-0003-14

WHEREAS the Salem County Nursing and Rehabilitation Center was conveyed to SCIA by the County of Salem on or August 15, 2008; and

WHEREAS subsequent to the conveyance the State of New Jersey conducted Medicaid audits and determined that there were various underpayments by the Salem County Nursing and Rehabilitation Center on dates prior to the conveyance to SCIA; and

WHEREAS the subsequent purchaser, SKG Realty Associates, LLC instituted litigation against SCIA under Docket No. SLM-L-0003-14 to resolve and receive reimbursement for alleged Medicaid underpayments by SCIA determined by the Medicaid audits, and SCIA filed a Third Party Complaint against the County of Salem for indemnification for amounts due while the County owned the nursing home; and

WHEREAS the SCIA retained The Lancaster Group to conduct an independent audit of the Medicaid payments in question and determined the amounts due from SCIA and from the County; and

WHEREAS after investigation that included an independent audit and review of the sales agreement between SCIA and SKG Realty Associates, LLC, and upon advice of SCIA's solicitor, SCIA has determined that SCIA is responsible for an underpayment in the amount of $158,349.14 that occurred prior to the transfer of the nursing home to SKG Realty Associates, LLC; and

WHEREAS SCIA has settled the claim made by SKG Realty Associates, LLC; and

WHEREAS the County of Salem has agreed to make contribution and indemnify SCIA for the amount owed by the County and demanded by SCIA; and

WHEREAS the Board finds that it is in the best interest of SCIA to resolve the pending litigation;

IT IS THEREFORE RESOLVED that SCIA shall enter into the attached Settlement Agreement and Release with the County of Salem to receive the amount of $5,614.59 and settle the litigation.
ATTEST:

Lew Schneider, Secretary

Robert E. Widdifield, Chairman

June 12, 2014

Date

CERTIFICATION

I hereby certify the above to be a true copy of a resolution adopted by the Salem County Improvement Authority Board at their regular meeting held June 12, 2014.

Lew Schneider, Secretary
SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release is entered into by the Releasor, SALEM COUNTY IMPROVEMENT AUTHORITY, referred to as “SCIA” and the COUNTY OF SALEM, referred to as “County”.

WHEREAS on June 10, 2008 the County, SCIA and SCUA entered into a Government Consolidation Agreement that stated, among other things, that the County would not transfer to SCIA any debt or liabilities it accrued prior to the transfer of the Salem County Nursing Home and that the County would indemnify SCIA for any claims or causes of action arising from or relating to the operation of the nursing home prior to the transfer; and

WHEREAS the Salem County Nursing Home was transferred from the County to the SCIA on August 15, 2008; and

WHEREAS subsequent to the conveyance the State of New Jersey conducted Medicaid audits and determined that there were various underpayments by the Salem County Nursing and Rehabilitation Center on dates prior to the conveyance to SCIA; and

WHEREAS SCIA filed a Third Party Complaint in Superior Court to resolve and receive reimbursement for alleged Medicaid underpayments by the County determined by the Medicaid audits conducted to date; and

WHEREAS SCIA obtained an independent audit by The Lancaster Group that determined the amount of the Medicaid underpayment attributable to the County prior to the transfer of the nursing home; and

WHEREAS the parties desire to resolve the pending litigation;

NOW THEREFORE IN CONSIDERATION of the agreements, covenants and conditions herein contained, the adequacy and sufficiency of which is expressly acknowledged by the parties hereto, the parties agree as follows:

1. Release. SCIA releases and gives up any and all claims and rights that it may have against the County arising out of claims for loss set forth in a lawsuit filed in the Superior Court of New Jersey, Salem County, Docket No. SLM-L-0003-14.

Nothing in this Release is intended to in any way change or modify the rights or obligations of the Parties under any prior agreement between the parties. Except as expressly modified hereby, all terms of the June 10, 2008 Government Consolidation Agreement; July 16, 2008 Support and Reimbursement Agreement and the December 7, 2011 Agreement for Transfer of Nursing Home Proceeds remain in full force and
2. **Consideration.** This release is given in exchange for payment to SCIA by County in the amount of $6,614.59. Payment shall be made by June 20, 2014.

3. **Who is Bound.** The parties are bound by this Release. Anyone who succeeds to the parties' rights and responsibilities is also bound. This Release is made for the benefit of the County and all who succeed to the County's rights and responsibilities, including successors or assigns.

4. **Reliance.** No promise or inducement which is not expressed herein has been made to SCIA, and in executing this Release, SCIA does not rely upon any statement or representation made by any person, firm or corporation hereby released, or any agent, or any other person representing them or any of them concerning the nature, extent or duration of said damage or loss or legal liability.

5. **No Admission.** It is expressly understood and agreed that acceptance of the consideration received for this Release is in full accord and satisfaction and in compromise of all known disputed claims, and that the payment and acceptance thereof is not an admission of liability, but is made for the purpose of terminating all disputes and litigation between the parties.

6. **Entire Agreement.** This Release contains the entire agreement between the parties, and the terms of this release are contractual and not a mere recital.

7. **Signatures.** I have carefully read the foregoing Release and understand its terms. I am signing this Settlement Agreement and Release of my own free will. I further represent that the proper officers of the entity that I represent have signed it, and the appropriate seal is affixed.

Witnessed or Attested by:

SALEM COUNTY IMPROVEMENT AUTHORITY
By: Robert Widdifield, Chairman

COUNTY OF SALEM
By:
STATE OF NEW JERSEY
COUNTY OF SALEM

I CERTIFY that on ______________, 2014, Robert Widdifield personally came before me and acknowledged under oath, to my satisfaction, that this person:

(a) is named in and personally signed this document; and
(b) signed, sealed and delivered this document as his act and deed.

[Signature]
Notary Public
Jean Cheeks
Attorney at Law
State of NJ

STATE OF NEW JERSEY
COUNTY OF SALEM

I CERTIFY that on ______________, 2014, Julie Acton personally came before me and acknowledged under oath, to my satisfaction, that this person:

(a) is named in and personally signed this document; and
(b) signed, sealed and delivered this document as his or her act and deed.

[Signature]
Notary Public