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**SHARED SERVICES AGREEMENT FOR SERVICES OF A
CONSTRUCTION OFFICIAL AND ANY NECESSARY SUBCODE
OFFICIALS BETWEEN THE BOROUGH OF KINNELON
AND THE BOROUGH OF BLOOMINGDALE**

THIS AGREEMENT made this 25th day of August, 2008 by and between:

BOROUGH OF KINNELON, a municipality of the State of New Jersey,
having its office at 130 Kinnelon Road, Kinnelon, New Jersey 07405

(hereinafter, "Kinnelon")

and:

BOROUGH OF BLOOMINGDALE, a municipality of the State
of New Jersey, having its office at 101 Hamburg Turnpike,
Bloomingdale, New Jersey 07403

(hereinafter "Bloomingdale")

W I T N E S S E T H:

WHEREAS, Kinnelon desires to contract with Bloomingdale for the furnishing of the services of a Construction Official and any necessary Subcode Officials as required by N.J.S.A. 52:27D-119, *et seq.* and N.J.A.C. 5:23, *et seq.*, and as hereafter set forth.

NOW, THEREFORE, IN CONSIDERATION OF the mutual promises, covenants and representations herein contained, the parties hereto, for themselves, their heirs, successors and assigns, hereby agree as follows:

I. SCOPE OF SERVICES

1. Bloomingdale shall provide the services of a certified, qualified Construction Official and any necessary Subcode Officials ("Officials") to Kinnelon, under the terms and conditions as hereinafter set forth.

2. Kinnelon will designate the Construction Official of Bloomingdale, DAN HAGBERG as the Construction Official of Kinnelon. The Bloomingdale Construction Official shall be responsible for the proper administration of the Borough of Kinnelon Building Department, shall advise and assist Kinnelon regarding compliance with N.J.S.A. 52:27D-119, *et seq.* and N.J.A.C. 5:23, *et seq.*, and shall perform the duties of a Construction Official as required by statute.

3. The Officials shall remain the sole employees of Bloomingdale and Bloomingdale shall be responsible for the administration and payment of their salaries and benefits and for the supervision of the Officials. The parties agree that Bloomingdale will resolve any citizen inquiries or complaints regarding the services provided to Bloomingdale and Kinnelon will resolve any citizen inquiries or complaints regarding services provided to Kinnelon.

4. The Officials shall provide thirty-five (35) hours of service to Kinnelon per week. When the Bloomingdale Construction Official is out of the office due to vacation or illness, there shall be no coverage for the Kinnelon Building Department by Bloomingdale and Kinnelon shall not be compensated by Bloomingdale for said vacation or illness time.

5. All records produced by the Officials regarding the administration of the Kinnelon Building Department shall be retained solely in Kinnelon Borough Hall, except for active permits.

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II. TERM OF AGREEMENT

6. Bloomingdale shall provide the services of the Officials to Kinnelon during the term of this Agreement which shall commence on October 1, 2008 and terminate on September 30, 2013. Either party may terminate this Agreement prior to the expiration of the term upon 90 days advance written notice to the other party.

III. PAYMENT FOR SERVICES

7. Kinnelon shall pay Bloomingdale the sum of \$39,500.00 for the period of October 1, 2008 through December 31, 2008. Said sum shall be paid to Bloomingdale in one (1) installment due on October 1, 2008. Kinnelon shall pay Bloomingdale the sum of \$163,530.00 for the period of January 1, 2009 through December 31, 2009. Kinnelon shall pay Bloomingdale the sum of \$169,254.00 for the period of January 1, 2010 through December 31, 2010. Kinnelon shall pay Bloomingdale the sum of \$175,177.00 for the period of January 1, 2011 through December 31, 2011. Kinnelon shall pay Bloomingdale the sum of \$181,309.00 for the period of January 1, 2012 through December 31, 2012. Kinnelon shall pay Bloomingdale the sum of \$187,655.00 for the period of January 1, 2013 through December 31, 2013.

IV. ADMINISTRATIVE FEES

8. In addition to the Payment For Services stated in Section III above, administrative fees shall be paid by Kinnelon to Bloomingdale to cover other expenses and the cost of additional inspectors that Bloomingdale may be required to hire to meet the needs of larger projects as follows:

- Five percent (5%) of annual permit fees collected by Bloomingdale for the issuance of permits for Kinnelon totaling \$100,000.00 or less;

PLUS

- Twenty-five percent (25%) of annual permit fees collected by Bloomingdale for the issuance of permits for Kinnelon over and above \$100,000.00.

V. AMENDMENT

9. Any amendments to this Agreement must be in writing and specify the purpose of the amendment; must specify the effective date of the amendment; and must be executed by the chief administrative official of both municipalities.

VI. INDEMNIFICATION AND DEFENSE OF PERSONNEL

10. If any of the Officials are named as a party to any lawsuit, claim, demand or other proceeding filed as a result of services provided to Kinnelon under this Agreement, Kinnelon will provide a defense for the Officials in the lawsuit, claim, demand or other proceeding. In such case, Kinnelon agrees to indemnify and hold harmless the Officials against and from any and all liability, suits, and costs of every name and description and from all damages awarded against the Officials unless same liability, loss or damage is caused by or arises out of conduct of the Officials constituting a crime, actual fraud, actual malice or willful misconduct.


11. If the Borough of Bloomingdale is named as a party to any lawsuit, claim, demand or other proceeding filed as a result of services provided by any of the Officials to Kinnelon under this Agreement, Kinnelon shall be responsible to pay all attorneys fees and costs incurred by Bloomingdale in defending the lawsuit, claim, demand or other proceeding. Except as limited in Section 10 above, in such case Kinnelon agrees to indemnify and hold harmless

Bloomingtondale and its officers, agents and servants, against and from any and all liability, suits, and costs of every name and description and from all damages awarded against Bloomingtondale, or its officers, agents or employees, unless same liability, loss or damage is caused by or arises out of the sole negligence or willful misconduct of Bloomingtondale, or its officers, agents or employees.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be signed by their corporate officers and their proper corporate seals to be affixed hereto the day and year as indicated in the acknowledgments attached hereto and made a part hereof.

ATTEST:

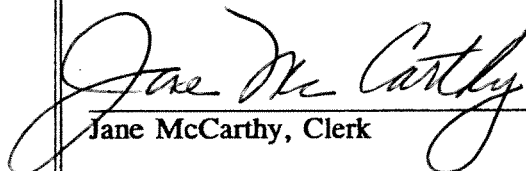
BOROUGH OF KINNELON


Elizabeth M. Sebrowski, Clerk


Glenn L. Sisco, Mayor

ATTEST:

BOROUGH OF BLOOMINGDALE


Jane McCarthy, Clerk


William Steenstra, Mayor

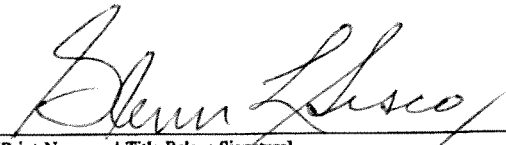
ACKNOWLEDGEMENT

STATE OF NEW JERSEY |

SS.:

COUNTY OF MORRIS |

BE IT REMEMBERED, that on this 3rd day of SEPTEMBER, in the year of our Lord, Two Thousand Eight, before me, the subscriber, personally appeared ELIZABETH M. SEBROWSKI, who, being by me duly sworn on her oath, doth depose and make proof to my satisfaction that she is the CLERK of the BOROUGH OF KINNELON, a municipal corporation, the corporation named in the within instrument; that GLENN L. SISCO is the MAYOR of said municipality; that the execution as well as making of this instrument has been duly authorized by proper action of the Borough Council; that deponent well and truly knows the corporate seal of said municipality; and the seal affixed to said instrument is such seal and was thereto affixed to said instrument signed and delivered by said MAYOR SISCO as and for the voluntary act and deed of said municipality, in the presence of deponent, who thereupon subscribed her name thereto as witness.


[Print Name and Title Below Signature]

GLENN L. SISCO, MAYOR

Sworn and subscribed to before
me on the date aforesaid.


[Print Name and Title Below Signature]

Elizabeth M. Sebrowski, Borough Clerk

ACKNOWLEDGEMENT

STATE OF NEW JERSEY |
COUNTY OF MORRIS |

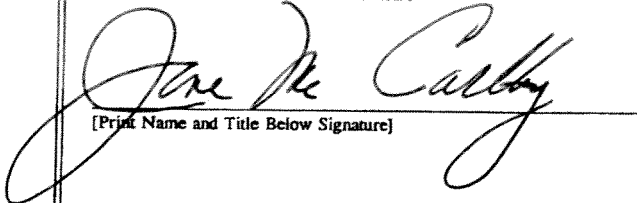
SS.:

BE IT REMEMBERED, that on this 28 day of August, in the year of our Lord, Two Thousand Eight, before me, the subscriber, personally appeared JANE McCARTHY, who, being by me duly sworn on her oath, doth depose and make proof to my satisfaction that she is the CLERK of the BOROUGH OF BLOOMINGDALE, a municipal corporation, the corporation named in the within instrument; that WILLIAM STEENSTRA is the MAYOR of said municipality; that the execution as well as making of this instrument has been duly authorized by proper action of the Borough of Bloomingdale Council; that deponent well and truly knows the corporate seal of said municipality; and the seal affixed to said instrument is such seal and was thereto affixed to said instrument signed and delivered by said MAYOR STEENSTRA as and for the voluntary act and deed of said municipality, in the presence of deponent, who thereupon subscribed her name thereto as witness.



[Print Name and Title Below Signature]

Sworn and subscribed to before
me on the date aforesaid.


[Print Name and Title Below Signature]