

INDEMNITY AND TRUST AGREEMENT

AGREEMENT made this _____ day of _____, 2012, between the Middlesex County Municipal Joint Insurance Fund, hereinafter referred to as the "Fund", with an address c/o William M. Kurtz, 1 Jocama Blvd, Suite 2B, Old Bridge, New Jersey 08857, and Borough of Bradley Beach hereinafter referred to as "Member", located at 701 Main Street, Bradley Beach, NJ 07720.

WHEREAS, the Member has adopted a Resolution dated _____, 2012, agreeing to become a participant in the "Fund" and approving of the ByLaws, as approved by the Commissioner of the Department of Banking and Insurance and the Commissioner of the Department of Community Affairs of the State of New Jersey;

WHEREAS, N.J.S.A. 40A:10-36 et. seq. and the regulations implemented thereunder in N.J.A.C. 11:15-2.1 et. seq. require a written agreement between the individual members and the "Fund".

NOW, THEREFORE, in consideration of the mutual promises and covenants of the parties, they agree as follows:

1. "Member" agrees to participate as a member of the "Fund" and contribute such sums and pay such assessments into the "Fund" that are required for the administrative costs and claims for the following types of coverage:

- a) Workers Compensation and Employers Liability;
- b) General Liability Coverage (including Public Official, Police Professional);
- c) Motor Vehicle and Equipment Liability Coverage;
- d) Property Damage (including Building & Contents, Automobile Physical Damage, Contractors Equipment, Boiler and Machinery and Public Employee Blanket Bonds).

2. "Member" affirms that it has not been in default on any insurance premium due any insurance carrier in the preceding two (2) years, or on any claim due under any self insurance.

3. "Member" hereby accepts the ByLaws of the "Fund" as approved by the Commissioner of the Department of Banking and Insurance and the Commissioner of the Department of Community Affairs of the State of New Jersey and agrees to be bound by same.

4. "Member" agrees to participate in the "Fund" to the extent designated in Paragraph 1 above for an initial period from January 1, 2012 until and including December 31, 2014. After the expiration of the initial period, participation may be cancelled or extended in accordance with the ByLaws.

5. "Fund" agrees to operate the insurance pool established by the parties and administer all monies contributed to the "Fund" in compliance with the provisions of the Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et. seq.), the Local Public Contracts Law (N.J.S.A. 40A:11-1 et. seq.), the enabling legislation authorizing the "Fund", (N.J.S.A. 40A:10-36 et. seq.), the ByLaws of the "Fund", and such other rules and regulations as govern the custody, investment and expenditures of public funds by local units. In furtherance thereof, "Fund" agrees to employ an individual duly certified as a Municipal Finance Officer to administer the funds of the "Fund".

6. Subject to the policy limits set forth in the Risk Management Plan adopted by the Fund, the "Member" agrees to be jointly and severally liable for the assumption and discharge of the liabilities of each and every other member of the Fund, arising from each and every members' participation in the Fund, including its participation in the coverage designated in Paragraph 1 above.

7. To further the intent and purposes of Paragraph 5 above, "Fund" agrees that all assessment payments made by "Member" shall be held in trust for the Benefit of Member. Separate trust accounts must be established by the "Fund" pursuant to N.J.S.A. 11:15-2.13. The monies from said "Fund" shall be disbursed solely for the payment of claims, allocated claim expenses and excess insurance or reinsurance premiums for the risk or liability coverage category which "Member" has agreed to participate in pursuant to Paragraph 1 above. The funds on deposit in one trust account for a specific type of coverage may not be expended, assessed or attached for use by the "Fund" for that municipality or any other municipality's obligations or liabilities for any other type of coverage it may be participating in the "Fund".

8. "Member" acknowledges that upon payment of its assessment into the trust account, it shall not have any further right to said funds except as deemed surplus and returnable by the "Fund" in accordance with the "Fund's" ByLaws and regulations or in the event of termination of the "Fund" and then only to the extent authorized by its ByLaws and regulations of the "Fund" and the laws and regulations of the State of New Jersey.

9. "Member" agrees that if it fails to promptly pay any such assessment charged to it or to comply with the ByLaws and regulations of the "Fund", that it shall indemnify the "Fund", its officers, commissioners and agencies for any loss or damage resulting from such failure.

10. This agreement shall be governed by the laws of the State of New Jersey.

IN WITNESS WHEREOF, the parties have executed this Agreement. 6

ATTEST:

By: _____
Member

ATTEST:

By: _____
MCMJIF

RESOLUTION

WHEREAS, the Borough of Bradley Beach has participated as a member of the Middlesex County Municipal Joint Insurance Fund (hereafter the "Fund") existing pursuant to Chapter 372, Laws of 1983 (N.J.S.A. 40A:10-36 et. seq.); and is desirous of continuing said membership for a term expiring on December 31, 2014; and

WHEREAS, the governing body of the Borough of Bradley Beach has determined that continued membership in the Fund is in the best interest of the municipality;

NOW, THEREFORE, BE IT RESOLVED by the Borough of Bradley Beach, in the County of Monmouth, and the State of New Jersey, as follows:

SECTION 1. The Borough of Bradley Beach hereby agrees to continue as a member of the Fund for a period commencing January 1, 2012, and terminating on December 31, 2014 for the purpose of securing the following types of insurance coverage:

- a) Workers Compensation and Employer's Liability.*
- b) General Liability Coverage (including Public Official, Police Professional).*
- c) Motor Vehicle and Equipment Liability Coverage.*
- d) Property Damage Coverage (including Building & Contents, Automobile Physical Damage, Contractors Equipment, Boiler & Machinery and Public Employee Blanket Bonds).*

After the expiration of the said three (3) year period of membership, participation may be canceled or extended in accordance with the ByLaws of the Fund.

SECTION 2. For the purposes of contribution of sums into the Fund to be designated for administrative costs and claims, the Borough of Bradley Beach hereby agrees to obtain the types of coverage from the Fund as are set forth in Section 1 of this Resolution and the Indemnity and Trust Agreement to be signed by it.

SECTION 3. The ByLaws of the Middlesex County Municipal Joint Insurance Fund, attached hereto, have been adopted and accepted.

SECTION 4. The Governing Body is hereby authorized and directed to execute an Indemnity and Trust Agreement signifying continued membership.

DATED: