

Resolution of the Mayor and Borough Council of the Borough of Mount Arlington, in the County of Morris, State of New Jersey, Authorizing Agreement to Join the Morris County Municipal Joint Insurance Fund, Subject to Approval of Assessment

WHEREAS, a number of municipalities in the State of New Jersey have joined together to form a Joint Insurance Fund as permitted by chapter 372 Laws of 1983 (40A:10-36) and;

WHEREAS, said Fund was approved to become operational by New Jersey Department of Insurance and the Department of Community Affairs and has been in operation since that date, and;

WHEREAS, the statutes and regulations governing the creation and operation of a Joint Insurance Fund contain elaborate restrictions and safeguards concerning the safe and efficient administration of the public interest entrusted to such a Fund;

NOW THEREFORE, be it resolved that the Governing Body of the Borough of Mount Arlington does hereby agree to join the Fund subject only to the right to approve the initial assessment when the same is received from the Fund following processing of the application, and;

BE IT FURTHER RESOLVED that the Borough of Mount Arlington is applying to the Fund for the following types of coverages:

1. Workers' Compensation and Employer's Liability;
2. Liability, other than motor vehicle;
3. Property Damage, other than motor vehicle;
4. Motor Vehicle.
5. Public Officials Liability/Employment Practices Liability
6. Environmental Impairment Liability

BE IT FURTHER RESOLVED that the Governing Body hereby adopts and approves of the bylaws of the Fund; and

BE IT FURTHER RESOLVED that the Borough of Mount Arlington is authorized to execute the application for membership and the accompanying certification on behalf of the Governing Body; and

BE IT FURTHER RESOLVED that the Governing Body is authorized and directed to execute the Indemnity and Trust Agreement and such other documents signifying membership in the Fund as are required by the Fund's bylaws and to deliver same to the Executive Director of the Fund with the express reservation that said document shall become effective only upon the applicant's admission to the Fund following approval by the Fund, passage by the Governing Body of a Resolution Accepting Assessment and approval by the New Jersey Department of Insurance and the Department of Community Affairs.

This Resolution shall take effect immediately.

I HEREBY CERTIFY this to be a true and correct Resolution of the Mayor and Borough Council of the Borough of Mount Arlington, adopted on March 15, 2011.



Linda DeSantis, RMC
Borough Clerk

**INDEMNITY AND TRUST AGREEMENT
MORRIS COUNTY MUNICIPAL JOINT INSURANCE FUND**

THIS AGREEMENT, made this day of 01/01/2011 in the County of Morris, State of New Jersey, By and Between the Morris County Municipal Joint Insurance Fund, hereinafter referred to as "FUND", and the Governing Body of the Borough of Mount Arlington, a duly constituted local unit of government hereinafter referred to as "GOVERNING BODY";

WITNESSETH:

WHEREAS, several local governmental units have collectively formed or are in the process of forming a Joint Insurance Fund as such an entity is authorized and described in NJSA 40A:10-36 et seq. and the administrative regulations promulgated pursuant thereto and;

WHEREAS, the GOVERNING BODY has agreed to become a member of the FUND in accordance with and to the extent provided for in the bylaws of the FUND and in consideration of such obligations and benefits to be shared by the membership of the FUND;

NOW THEREFORE, it is agreed as follows:

1. The GOVERNING BODY accepts the FUND'S bylaws as approved and adopted and agrees to be bound by and to comply with each and every provision of the said bylaws and the pertinent statutes and Administrative Regulations pertaining to same and as set forth in the Risk Management Plan.
2. The GOVERNING BODY agrees to participate in the FUND with respect to the types of insurance listed in the Borough of Mount Arlington's Resolution.
3. The GOVERNING BODY agrees to become a member of the FUND for an initial period not to exceed three (3) years, the commencement of which shall coincide with the effective date of the FUND'S operation and coverage, or the effective date of membership, whichever occurs later.
4. The GOVERNING BODY certifies that it has never defaulted any claims if self-insured and has not been canceled for non-payment of insurance premiums for a period of at least two years prior to the date hereof.
5. In consideration of membership in the FUND the GOVERNING BODY agrees that it shall jointly and severally assume and discharge the liability of each and every member of the FUND, all of whom as a condition of membership in the FUND shall execute a verbatim counterpart of this Agreement and by execution hereof the full faith and credit of the GOVERNING BODY is pledged to the punctual payment of

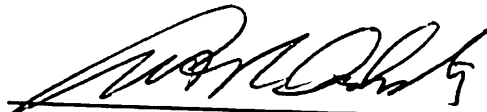
any sums which shall become due to the FUND in accordance with the bylaws thereof, this Agreement the Fund's Risk Management Plan or any applicable Statute.

6. If the FUND in the enforcement of any part of this Agreement shall incur necessary expense or become obligated to pay attorney's fees and/or Court costs the GOVERNING BODY agrees to reimburse the FUND for all such reasonable expenses, fees and costs on demand.
7. The GOVERNING BODY and the FUND agree that the FUND shall hold all monies paid by the GOVERNING BODY to the FUND as fiduciaries for the benefit of FUND claimants all in accordance with NJAC 11:15 2.1 et seq.
8. The FUND shall establish separate Trust Accounts for each of the following categories of risk and liability:
 - a) Workers' Compensation and Employers' Liability
 - b) Liability, other than motor vehicle
 - c) Property Damage, other than motor vehicle
 - d) Motor Vehicle
 - e) Public Officials/Employment Practices Liability
 - f) Environmental Impairment Liability

The FUND shall maintain Trust Accounts aforementioned in accordance with NJSA 40A: 10-36, NJAC 11:15.2 et seq, NJSA 40A: 5-1 and such other statutes as may be applicable. More specifically, each of the aforementioned separate Trust Accounts shall be utilized solely for the payment of claims, allocated claim expense and excess insurance or reinsurance premiums for each such risk or liability or as "surplus" as such term is defined by NJAC 11:15-2.2.

9. Each GOVERNING BODY who shall become a member of the FUND shall be obligated to execute this Agreement.

BY:



Mayor, Arthur A. Ondish