

SHARED SERVICES AGREEMENT

THIS AGREEMENT made this _____ day of _____, 2009,

AMONG: PALS Plus, Inc. the, a non-profit New Jersey Corporation having its main office at the 292 Piaget Ave, Clifton, New Jersey (hereinafter called the "Consortium")

AND: The governing bodies of the members whose names and addresses are set forth on Exhibit "A" annexed hereto and made a part hereof, (hereinafter individually called a "Member" and collectively called the "Members");

WITNESSETH:

WHEREAS the Members desire to provide for the systematic and effective coordination of their resources for improving services to their clientele.

WHEREAS, the Members have purchased, maintained, and operated equipment, software and services jointly, through a non-profit corporation of member libraries as their Agent.

WHEREAS, the Members desire to use the equipment, software and services in accordance with the policies determined by the Consortium; have entered into this Agreement; pursuant to the provisions of the "Uniform Shared Services and Consolidation Act", L.2007, c.63, eff. April 3, 2007, §1 through 35 (N.J.S.A. 40A:65-1 through 40A:65-35). To pay for the Members' cost of purchase, annual administrative costs, and other costs incurred by the Consortium in connection with the purchase, maintenance, and use of the equipment, software, and services ; in accordance with the formula (Assessment Formula) set forth in Exhibit "B" annexed hereto and made a part hereof. ; NOW, THEREFORE, the Members agree as follows:

- 1) Creation of the Consortium. There has been created as of 4/1/92, pursuant to N.J.S.A. 15A:1-1 et seq., a non-profit corporation, PALS Plus, Inc. (PALS Plus). Each of the Members shall be represented in the Consortium as set forth in the By-Laws attached hereto as Exhibit "C". The Consortium shall be governed in accordance with said By-Laws. The governing bodies of member libraries have authorized the signing of a certificate of incorporation of the Consortium. The Consortium shall have full power and authority to do all things necessary, as agent for the Members, to perform all of the obligations and to exercise all of the rights of the Consortium pursuant to this Agreement.
- 2) Obligations of the Consortium.
 - a) The Consortium shall enforce and administer the terms of the existing contracts for equipment, software and services and perform all obligations under the contracts. The Consortium shall collect from each Member its proportionate share of the costs and maintenance of equipment, software and services in accordance with the Assessment Formula attached. The Consortium shall have the authority to solicit bids and award contracts for any new or updated equipment, software or services in accordance with the specifications.
 - b) The Consortium has entered into an operating agreement with the Members for operation of equipment, software and services and payment of all costs thereof, including but not limited to, direct and indirect personnel costs, supplies, electric power, telephones, insurance, professional fees and all other operating costs.

- c) The Consortium as Agent for the Members, shall purchase maintenance and service contracts for the equipment, software and services, and shall insure the assets of the Consortium to the full insurable value thereof.
 - d) The Consortium shall provide space for capital assets and operations and shall enter into a lease of such space, as agent for the Members.
 - e) The Consortium shall annually establish a budget for payment of all costs required to be paid by it pursuant to this Agreement and shall send a copy of such budget to the Members of the Consortium on or before November 1 of the preceding year. At least once each year in the succeeding year or years, the Consortium shall render a bill to each Member for its proportionate share of the budget so established.
 - f) The Assessment Formula (Exhibit B), may be modified every two (2) years, only upon a 2/3 majority vote of all Members of the Consortium, at the General Membership Meeting, or on or before November 1st of the relevant Budget year. The formula modification shall be effective as of the Budget year next following the date of adoption.
- 3) Obligations of the Members.
- a) Each of the Members shall pay their proportional share of the costs for the capital and operating expenses of the Consortium according to the Assessment Formula attached hereto.
 - b) Each of the Members shall fully fund the obligations of the Consortium under this agreement and shall pay to the Consortium, within 30 days of a bill rendered by the Consortium, the amounts due to the Consortium under the Assessment Formula; approved by the Consortium Members.
 - c) New Members shall be responsible for the costs and expense of installing, maintaining and operating at its local library such peripheral equipment, and for conversion of its catalog records to be compatible with the Consortium's integrated library system, as it may deem necessary or desirable in connection with its use of the integrated library system;
 - d) Each of the Members shall, ratably in proportion to its financial participation in accordance with the Assessment Formula, indemnify and save the Consortium harmless from all liability, damage, cost and expense (including reasonable counsel fees and costs) arising in any manner from this Agreement.
- 4) Term. This Agreement shall be in full force and effect on the Effective Date and shall terminate ten (10) years after the Effective Date, unless sooner terminated in accordance with this Agreement, and applicable law.
- 5) Effective Date. This Agreement shall not become effective until it has been duly approved by the governing bodies of all Members. The effective Date shall be April 1, 2010, or the first day of the calendar month following the expiration of all applicable appeal periods from the Ordinance (45 days) of the last of such Members to approve this Agreement, whichever shall first occur.
- 6) Extension of the Term. The Term of this Agreement shall be extended for successive terms of not less than one (1) year nor more than ten (10) years in the aggregate upon the vote of a majority of all

Members of the Consortium taken at least 90 days prior to the expiration of the Initial Term or any Extension Term. If, within 30 days of such a vote, any Member shall have given notice of its withdrawal from the Agreement pursuant to Paragraph 7, the Consortium shall determine whether the Agreement will be extended by a vote of a majority of all Members of the Consortium at least 30 days prior to the expiration of the Term.

- 7) Withdrawal of a Member. On or before June 30 of any year, a Member may withdraw from this Agreement by a notice to the Consortium. Such withdrawal shall be effective as of the January 1 next following such notice. Upon withdrawal, the withdrawing Member's obligation for any capital expenses shall continue in full force and effect but the obligation for operating expenses shall cease as of the effective date of the withdrawal.
- 8) If, at any time, Members representing in the aggregate more than 30% of the annual operating budget then in use in connection with the assets and services of the Consortium shall have elected to withdraw, the Consortium shall have the right to cease operating. Such right shall be exercised only by a two-thirds (2/3) majority vote of the remaining Members of the Consortium, and with one year advance notice to all parties to the Agreement. Upon such a determination, the assets of the Consortium shall be disposed of as described in the Bylaws.
- 9) Addition of Members: Publicly supported entities, including, but not limited to public libraries (both municipal and association libraries), , counties, local units, boards of education, county colleges, and state colleges, other than the Members herein, may become Members of the Consortium, subject to this Agreement, on the following conditions:
 - a) The Current Members of the Consortium shall first determine that such Additional Member(s) may become a Member(s) in the Consortium, without substantially impairing the present and projected future services provided to or to be provided to Current Members, and without incurring any additional costs, beyond those allocated in accordance with the Assessment Formula;
 - b) The additional Member(s) shall apply for, qualify for, and become, full or associate Members of the Consortium, in accordance with the Bylaws of such organization; and;
 - c) The Additional Member(s) shall enter into a Membership Agreement with the Consortium and/or its Members, fixing and setting forth the conditions of membership, including any required monetary contribution to both capital contributions and operating expenses, proportionately to the Current Members' capital contributions and operating expenses.
- 10) Non-liability of the Consortium. In no event shall the Consortium have any liability in direct or consequential damages to the Members for any act or omission occurring in connection with this Agreement. The sole right or remedy of a Member herein shall be to withdraw in accordance with the terms of this Agreement.
- 11) Rights upon Termination. Upon termination of this Agreement at the expiration of the Term or any extended Term, the Consortium shall retain or dispose of the assets of the Consortium and shall provide each Member with a copy of its catalog records at cost of the prevailing rates. The proceeds

from any such sale shall be divided among the Members in accordance with the contributions under the Assessment Formula.

- 12) Counterparts. This agreement may be executed in any number of counterparts, each of which shall be executed by the Consortium and the Member affected thereby, and all of which shall be regarded for all purposes as an original.
- 13) This Agreement shall be filed with the State of New Jersey, Department of Community Affairs, Division of Local Government Services, in accordance with N.J.S.A. 40A:65-4.b.
- 14) In the event of any dispute as to the amount to be paid by a Member pursuant to this Agreement, the amount specified by this Agreement shall be paid by the Member; but if, through subsequent negotiation, arbitration or litigation, the amount due shall be determined, agreed or adjudicated to be less than was actually so paid, then the Consortium shall forthwith repay the excess to the Member.
- 15) SUPERCEDES ALL PRIOR AGREEMENTS. Except as may be specifically provided herein to the contrary, this Agreement supersedes all prior agreements between the Consortium and the Members concerning the equipment, software and services of the Consortium, including, but not limited to, the original Central System Agreement, made and entered March 1, 1991, and any amendments, revisions or renewals thereto.

IN WITNESS WHEREOF, the parties hereto have interchangeably set their hands and seals and caused these presents to be executed by their proper corporate officials and their proper corporate seals to be hereto affixed, the day and year first above written.

ATTEST:

PALS PLUS, INC.

Karen Kleppe Lembo, Secretary

Cynthia Czesak, President

ATTEST:

[GOVERNING BODY]

[Name, Position]

[Name, Position]