

EMPLOYMENT AGREEMENT

THE AGREEMENT, made the 21 day of August, 2012, by and between **THE BOROUGH OF SUSSEX**, a Municipal Corporation of the State of New Jersey, having its principal offices located at 2 Main Street, Sussex, New Jersey (hereinafter "Borough")

and

MARK ZSCHACK (hereinafter "Employee")

WITNESSETH:

WHEREAS, the Borough is a municipal corporation of the State of New Jersey, County of Sussex; and

WHEREAS, Employee is qualified to serve as "Acting" Borough Clerk; and

WHEREAS, Employee is qualified to serve as a Municipal Administrator; and

WHEREAS, it is deemed to be to the mutual advantage and benefit of both parties for the Borough to employ Employee and for Employee to work for the Borough upon the terms and conditions embodied in the Agreement.

NOW, THEREFORE, in consideration of their mutual covenants and promises contained in the Agreement and for other valuable consideration, the receipt and sufficiency of which is acknowledged by each of them, the parties do agree as follows intending to be legally bound hereby:

1. EMPLOYMENT AND DUTIES.

The Borough hereby employs Employee upon the terms and subject to the conditions set forth in the Agreement as its Municipal Administrator to perform such other duties and with such powers as are specifically set forth in the Code of the Borough of Sussex.

The Employee will serve as the "acting" Borough's Clerk. His official title shall be "Administrator/Clerk". The Employees compensation with be equally divided between the two positions.

The Employee agrees to become a Certified Purchasing Agent as soon as is practical based upon the availability of the required courses and/or tests.

2. PERFORMANCE.

Employee accepts appointment as Administrator/Clerk of the Borough.

Employee agrees to diligently and conscientiously devote his full time and attention to, and to exert his best efforts for the Borough in, the performance of his duties, as assigned, in a trustworthy, loyal, businesslike, professional and efficient manner, all for the purpose of furthering the business of the Borough. Employee agrees to fully cooperate with the other employees of the Borough, in performance of his work as dictated by the Governing Body of the Borough (hereinafter 'Governing Body'). Employee's regularly scheduled work day shall commence Monday through Friday at 8:30AM and cease at 4:30PM unless otherwise directed, exclusive of a one (1) hour lunch period. Employee agrees to work overtime, evenings (including all meeting of the governing body), weekends, and holidays, as may be necessary to properly perform his duties without additional compensation pursuant to the Fair Labor Standards Act, within reason.

3. TERM.

The governing body, pursuant to N.J.S.A. 40A:9-137, has elected to award the Employee a contract for a three year term. The term of employment under the Agreement shall begin on July 1, 2012, and shall continue until June 30, 2015.

The employee shall have at least bi-annual reviews. In order to be considered for employment for a subsequent term, the employee must show diligent effort and demonstrable progress satisfactory to the governing body towards obtaining RMC status.

4. COMPENSATION.

4.01. SALARY.

In consideration for all of the services to be rendered by the Employee as defined in the Agreement as well as any additional capacity to the Borough, including but not limited to any services he may provide as an officer or director, if so elected to said positions, the Borough shall pay Employee the following:

Employee shall receive an annual base salary starting July 1, 2012 of \$60,000.

Provided that the Employee receives his RMC certification and positive reviews, the salary for the second year will be increased to \$65,000 and increased to \$68,000 in the third year.

4.02 GRANT WRITING PERFORMANCE.

The Borough of Sussex has no grant writer on staff or by retainer. The Borough often finds it difficult to write grant requests, which could be financially very beneficial to the Borough. The Borough strongly encourages the Clerk/Administrator to make all efforts concerning identifying, applying for, and receiving new sources of grant funding. As an incentive, the Borough Council agrees to review the grant writing performance of the Clerk/Administrator each year to evaluate the total amount of grants the Borough has received, the financial benefit of the grants, which grants are new to the Borough, and the Clerk/Administrator's efforts in obtaining the grants. The Borough Council will consider, at its

sole discretion, whether to award the Clerk/Administrator a yearly bonus to reward the Clerk/Administrator's performance with respect to grant writing.

4.03 DUES AND CONVENTION EXPENSES.

Employee shall receive reimbursement for annual dues paid to State or National Associations of Municipal Administrators, Municipal Clerk's Association, Municipal Purchasing Agents Association, Certified Public Managers Association and such convention expenses that receive advance approval from the Governing Body. Reasonable time off with pay to attend association meetings, with prior approval of Mayor

4.04 RELOCATION EXPENSES.

N/A

4.05 AUTOMOBILE EXPENSE.

N/A

4.06 DEDUCTIONS.

The Borough is hereby authorized to make all deductions required by law or authorized by the Agreement from monies due to Employee.

4.07 DEFERRED COMPENSATION.

N/A

5. VACATIONS, PERSONAL AND SICK DAYS, AND HOLIDAYS.

A. During the term of his employment, Employee shall be entitled to sick days as needed provided that any illness or injury related absence of more than 2 consecutive days shall required a doctors note or other evidence.

B. Employee shall have twelve (12) vacation days during the first one year term of the contract. Employee shall receive 2 additional days in each subsequent year of employment with a maximum of twenty (20). Unused vacation days may be carried over to one subsequent year but at no time shall the Employee's accumulated vacation time exceed twenty (20) days.

C. The Employee shall be entitled to the same number of paid holidays as other employees under the Borough Policy in effect at the time.

D. The Employee is entitled to three (3) personal days regardless of the Borough's Employment policies.

6. INSURANCE.

During the term of his employment, the Borough shall make available private group health insurance to the Employee as provided to all full time employees at no cost to the Employee. In the event the Employee agrees to accept the Borough's health insurance plan, employee contributions and co-pays shall become payable as applicable thereunder.

If the Employee declines to be included in the Borough's health insurance plan, the Employee shall receive a \$3,000.00 per year stipend provided that he shows continuing proof of coverage from another source.

7. GROUNDS FOR TERMINATION.

A. The Borough shall have the right to terminate the Agreement pursuant to the procedures and terms set forth in N.J.S.A. 40A:9-138.

B. The contract shall automatically terminate upon the death of the Employee.

C. Upon termination in addition to above any and all unused vacation time shall be paid at the employee's hourly rate.

8. NOTICE.

All notices and other communications required, permitted or provided for in the Agreement shall be in writing and shall be deemed to have been properly given upon being hand-delivered or three (3) days after being mailed by Certified Mail, Return Receipt Requested, to the parties at the addresses set forth in the Preamble of the Agreement or to such other address as any of the parties may subsequently designate in writing to the other party.

9. ENFORCEABILITY.

The Agreement shall be binding upon the parties, their heirs, successors, survivors, or assigns, and constitutes the entire agreement between them. The Agreement may be specifically enforced by either party in the Courts of the State of New Jersey and the laws of the State of New Jersey shall control hereunder. In the event any part of the Agreement is declared null and void, contrary to public policy, or unenforceable, only that portion deemed unenforceable shall be affected and all remaining portions shall remain in full force and effect.

10. CELL PHONE.

The employee shall receive \$50 per month reimbursement for cell phone expenses.

11. HEADINGS.

The headings set forth in the Agreement are merely intended as descriptive aides in locating various clauses and shall have no separate independent legal meaning or effect.

12. COUNTERPARTS.

The Agreement may be executed simultaneously in two (2) or more counterparts, each of which shall be deemed an original event, even though the body of the documents may be photocopies, but all of which together shall constitute but one and the same Agreement.

13. ACKNOWLEDGEMENT OF UNDERSTANDING AND RECEIPT OF TRUE COPY.

Each of the parties to the Employment Agreement acknowledges that each fully understands each of the terms and provisions of the Agreement and of the legal consequences of executing the Agreement; that each has had the opportunity prior to execution of the Agreement to review and to discuss the Agreement with an attorney of each's choosing; and that each voluntarily executes the Agreement.

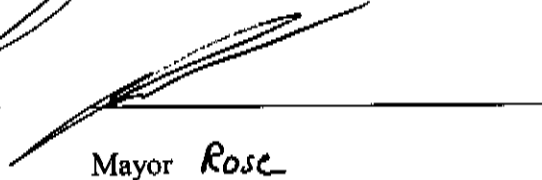
EACH PARTY ACKNOWLEDGES RECEIPT OF A COMPLETE AND FULLY EXECUTED AGREEMENT.

IN WITNESS WHEREOF, the parties hereto have caused the Agreement to be duly executed and delivered as of the day and year set forth in the Preamble of the Agreement.

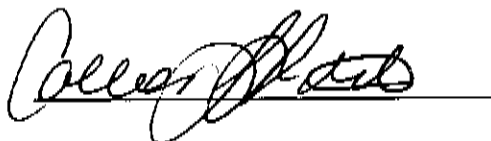
ATTEST:



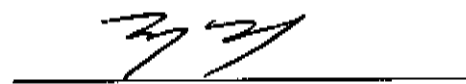
BOROUGH OF SUSSEX


Mayor *Rose*

WITNESS:



EMPLOYEE:


Mark Zschack