

**FLORIDA ASSOCIATION OF COUNTIES, INC.
POLICY**

Subject: Claims Procedure for Indemnification

Objective: To create and maintain a procedure for the Board of Directors to determine whether to reimburse costs under Article VIII of the Articles of Incorporation.

Section 1. Definitions.

As used in this policy, the following capitalized terms shall have the following meanings:

"Articles of Incorporation" means the Association's corporate Articles of Incorporation as executed on April 28, 1978, amended on November 12, 1986, November 19, 1999, and December 1, 2004, and as may be further amended from time-to-time.

"Association" means the Florida Association of Counties, Inc., a Florida not-for-profit corporation.

"Board" or "Board of Directors" means the governing body of the Association.

"Bylaws" means the Association's corporate Bylaws, as amended and adopted on July 24, 2004, and as may be further amended from time-to-time.

"Executive Committee" means the group of officers of the Association identified and empowered by Section 5.3 of the Association's Bylaws.

"Executive Director" means the chief executive officer of the Association, as defined in Article VI of the Association's Articles of Incorporation appointed by the Board of Directors under Section 5.7 of the Association's Bylaws, or such person's designee.

"General Counsel" means the person who is employed person or firm who is retained by the Association as the chief legal advisor to the Association appointed by the Board of Directors under Section 5.7 of the Association's Bylaws, or such person's designee.

"Indemnification Provision" means Article VIII of the Association's Articles of Incorporation, attached hereto as Appendix A.

"Matter" means any claim, suit, or proceeding, as defined in the Indemnification Provision.

"Person" means a person defined in the Indemnification Provision.

Section 2. Statement of Intent.

The Indemnification Provision authorizes, but does not require, the Association to consider reimbursing attorneys' fees, other costs, and judgments for those Persons who have served the Association as an officer or director, under certain circumstances set forth in Article VIII of the Articles of Incorporation.

By the adoption of this policy, the Board of Directors declares that it does not intend to replace or augment the Indemnification Provision. Any and all other conditions in the Indemnification Provision apply with full force and effect. Instead, by the adoption of this policy, the Board intends to establish the administrative procedure by which claims, under the Indemnification Provision will be processed by the Association. Furthermore, the Board of Directors, through the adoption of this policy, intends to clarify that the reimbursement of the costs and expenses identified in the Indemnification Provision are not automatically made and that no Person is automatically entitled to any payment under the Indemnification Provision. Finally, this policy is not intended to replace the procedure that any and all insurance carriers may place on any Person or the Association for claims made under any applicable Association insurance policies.

Section 3. Procedure for Reimbursement Application.

(A) *Initial Notice: Condition Precedent.* Any Person, believing he/she is eligible for the benefits of the Indemnification Provision, must notify the Executive Director in writing within 10 days of retaining an attorney to defend a Matter of behalf of the Person. The notice is a condition precedent to receiving the benefits of the Indemnification Provision. The written notice must include the reason for the retention of an attorney and a recitation of the fee agreement. The written notice must also articulate the factual and legal basis for the Person to seek the benefits of the Indemnification Provision from the Association; a description of the entity conducting the investigation or proceeding; the case number or file number of the investigation or proceeding, if known; a description of each count, charge and/or allegation made or being investigated; the date(s) that the alleged wrongful incidents are alleged to have occurred; the Person's office or position with the Association on the date(s) described in the allegations; and other information as may be reasonably required by the Executive Director, Executive Committee and/or the Board of Directors. The notice requirement is a continuing requirement. Based on the nature of the Matter brought against such Person, a schedule for further reasonable notices shall be established within 10 days of receiving the initial notice. The Executive Director, in consultation with the General Counsel and Executive Committee, shall establish the continuing notice requirements.

(B) *Written Request.* A Person, in compliance with paragraph (A) of this section, who believes he/she is eligible for the benefits of the Indemnification Provision, must within 30 days of the conclusion of the Matter, give the Executive

Director a written request for reimbursement of eligible expenses and costs under the Indemnification Provision. The request must, as a minimum, provide any updated information as enumerated in the initial notice described in paragraph (A) of this section. The request must also include all other material and relevant information to requesting the benefits of the Indemnification Provision.

(C) *Submission of Request.* Within a reasonable amount of time and as soon as practical, the Executive Director will present the request to the Executive Committee for its review and consideration. The Executive Committee, in consultation with the Executive Director and General Counsel, must make a recommendation to the Board of Directors as to whether the claim falls within the Indemnification Provision, including whether any applicable insurance policies provide coverage. An agenda item for the Board of Directors will be prepared for the next regularly scheduled Board meeting. If exigent circumstances exist, the President may call a special Board meeting for the purpose of considering this agenda item. At the Board meeting, the Board may: (1) request additional relevant information from the applicant; (2) continue the request to a date and time certain; or (3) take action on the written request and determine if the Indemnification Provision applies and if so, in what amount.

Section 4. Duty to Cooperate.


Any Person, believing he or she is eligible for the benefits of the Indemnification Provision has a duty to cooperate with the Association as related to the matter. Any Person who breaches that duty shall not be eligible for the benefits of the Indemnification Provision. Any Person who fails to cooperate with the Association, including following the administrative procedures and requirements of this policy, shall waive any right to seek indemnification pursuant to Article VIII and the Association shall have no obligation to provide indemnification, including approval of any payments for any costs incurred by such person.

Section 5. Reservation of Authority.

The Board of Directors reserves the right to modify, amend or abolish this policy by a majority vote at any regular meeting of the Board.

As Approved by the Board of Directors

This 20th day of September 2018



Kason Turner, President