**RESOLUTION B-06**

**INDEMNIFICATION POLICY**

1. **Purpose.** This Resolution states the policy whereby the Ocean Pines Association, Inc. indemnifies volunteers, employees, and agents who provide services or perform functions on behalf of the Association. While acting on behalf of the Association, these individuals may become subject to claims by third parties seeking to hold them liable for such activities. If they are held liable it is in the Association's best interest to indemnify them if they were acting within the authorized scope of employment, and to indemnify them for their reasonable expenses in defending such claims, to the extent permitted by law.

2. **Authority.** Article EIGHTH of the Charter states the Association may indemnify a representative of the Association, in addition to Directors and officers, in connection with a proceeding to the fullest extent of Section 2-418 of the Corporations and Associations Article of the Annotated Code of Maryland.

3. **Conditions of Indemnification.** Indemnification shall be given only to those persons who are acting within the scope of their designated authority and shall not extend to those persons who exceed the scope of the designated authority or who act outside the authority granted by the Association.

4. **Indemnification of Volunteers.** In the event persons not employed by the Association act as volunteers for official functions of the Association and are acting upon the request of the Association, they shall be indemnified and held harmless by the Association for all activities, actions, and other matters performed within the scope of the requested activity.

5. **Indemnification of Employees and Agents.** Employees and agents of the Association who are acting within the scope of their delegated authority shall be indemnified and held harmless by the Association for all actions performed within the scope of their employment or agency.

**6. Approval of Indemnification.** Indemnification shall be made only for specific proceedings and after a determination that it is permissible under the law. Indemnification shall be approved in accordance with Section 2-418 of the Corporations and Associations Article of the Annotated Code of Maryland and Article EIGHTH of the Charter.

7. **Effective Date:** November 19, 2008

Adopted by the Board of Directors on November 19, 2008

_____/S/ David M. Stevens____ President Attest____/S/ Les Purcell_____ Secretary

Review History:

General Manager: ____/S/ Thomas J. Olson_____ Date: __December 4, 2008__

Legal: _____ Date: _____

By-laws and Resolutions Advisory Committee: _____/S/ James Trummel_____

Date: __December 5, 2008_____