

NORTHPARK HOMEOWNERS ASSOCIATION BOARD POLICY

INDEMNIFICATION

The Northpark Homeowners Association (“the Association”) shall, to the extent legally permissible, indemnify each person who may serve or who has served at any time as an officer, director, employee of the Association against all expenses and liabilities, including, without limitation, attorney fees, judgments, fines, excise taxes, penalties and settlement payments, reasonably incurred by or imposed upon such person in connection with any threatened, pending or completed action, suit or proceeding in which he or she may become involved by reason of his or her service in such capacity; provided the person is or was serving at the request of the Association in such capacity; and also provided that no indemnification shall be paid for any such person with respect to any matter as to which he or she shall have been finally adjudicated in any proceeding;

- (1) not to have acted in good faith, in the reasonable belief that such action was in the best interests of the Association,
- (2) to have derived an improper personal benefit, whether or not involving action in an official capacity, and
- (3) in the case of a criminal proceeding, to have had reasonable cause to believe the conduct was unlawful; or
- (4) to be liable to the Association.

The Board of Directors shall determine whether the person requesting indemnification has met the applicable standard of conduct set forth above as well as any decisions on compromise or settlement. The determination shall be made by the Board of Directors by a majority vote of a quorum consisting of those members who were not parties to the action suit or proceeding. If a quorum cannot be obtained as contemplated above or if a quorum has been obtained and the Board so directs, a determination may be made, at the discretion of the Board, by:

- (i) independent legal counsel selected by a majority of the full Board; or
- (ii) by the voting members, but voting members who are also at the same time seeking indemnification may not vote on the determination.

The termination of a proceeding by judgment, order, settlement, or conviction or upon a plea of nolo contendere or its equivalent is not, of itself, determinative that the director did not meet the standard of conduct described in this Policy.

The Association will pay for or reimburse the reasonable expenses incurred by a director who is a party to a proceeding in advance of final disposition of the proceeding if:

- (a) the director furnishes to the Association a written affirmation of the director's good-faith belief that the director has met the standard of conduct described above;

(b) the director furnishes to the Association a written undertaking, executed personally or on the director's behalf, to repay the advance if it is ultimately determined that the director did not meet the standard of conduct; and;

(c) a majority vote of a quorum of directors who are not at that time parties to the proceeding determines that the facts then known to those making the determination would not preclude indemnification under this Policy.

The indemnification provided hereunder shall inure to the benefit of the heirs, executors and administrators of persons entitled to indemnification hereunder. The right of indemnification under this Policy shall be in addition to and not exclusive of all other rights to which any person may be entitled.

This Policy constitutes a contract between the Association and the indemnified officers, directors, and employees. No amendment or repeal of the provisions of this Policy which adversely affects the right of an indemnified officer, director, or employee under this Policy shall apply to such officer, director, or employee with respect to those acts or omissions which occurred at any time prior to such amendment or repeal.

Signature: *Marie Struckman*

Print: Marie Struckman

Title: President

Date: Sept. 29, 2020