

SCOTT POINT WATERWORKS DISTRICT

377 Scott Point Drive, Salt Spring Island, British Columbia, Canada, V8K 2R2

BYLAW No 77

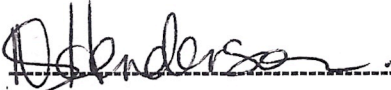
A Bylaw to indemnify an officer of the Improvement District against a claim for damages arising out of the performance of his or her duties and to pay legal costs incurred in a court proceeding arising out of the claim

The Trustees of the Scott Point Waterworks District enact as follows:

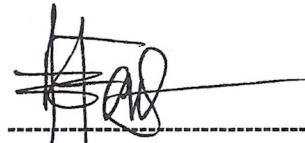
- 1. In this bylaw "officer" means**
 - a. A member of the Board of Trustees;**
 - b. An appointed member of an Improvement District Committee;**
 - c. An officer or employee of the Improvement District;**
 - d. Any volunteer who participates in the delivery of services by the Improvement District under the supervision of an officer or employee of the Improvement District or under the supervision of an employee of the North Salt Spring Waterworks District while under contract to the Scott Point Waterworks District.**
- 2. The Improvement District shall indemnify its officers against a claim for damages against them arising out of the performance of their duties and in addition contribute payment toward actual costs incurred by the officer in a court proceeding arising out of the claim.**
- 3. Section 2 shall apply to any person who was an officer at the time he or she performed the duties out of which the claim arose, whether or not he or she is an officer at the time the claim for damages arises or the court proceeding arising out of the claim is commenced, prosecuted or concluded.**
- 4. Where any action of an officer results in a claim for damages against the Improvement District, the Board of Trustees shall seek indemnity or reimbursement from the officer ONLY where:**
 - a. The claim arises out of gross negligence of the officer; or**
 - b. The officer acted contrary to the terms of his or her employment or an order of a superior in relation to the action that gave rise to the claim.**
- 5. Funds for indemnification shall be drawn only from a special assessment against property owners pro rated to the assessed value of each property as determined by the British Columbia Assessment Authority and not to exceed one per cent of the assessed value per ten-year period.**
- 6. This bylaw may be cited as the "Indemnification Bylaw No. 77, 2004."**

Introduced and given first reading by the Trustees on

Reconsidered and finally passed by the Trustees on

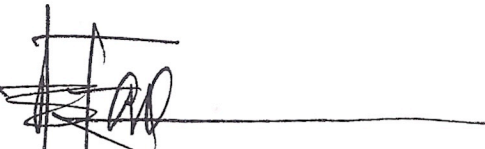


Chair of the Trustees



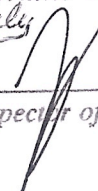
Trustee and Administrative Officer

I hereby certify under the seal of the Scott Point Waterworks District that this is a true copy of By-Law No ⁷⁷ of Scott Point Waterworks District, passed by the Trustees on 20 day of ~~February~~ 2004.



Trustee and Administrative Officer

A true copy of By-Law No. 77
registered in the office of the Inspector
of Municipalities this 15th day of
July 2004



Deputy Inspector of Municipalities