

BOY SCOUTS OF AMERICA

RESOLUTION REGARDING INSURANCE AND INDEMNIFICATION OF CHARTERED ORGANIZATIONS AND USE OF CHARTER AGREEMENT IN CIVIL LITIGATION

WHEREAS Chartered Organizations and local councils play a critical role in the delivery of the Scouting program; and

WHEREAS the Corporation (The Boy Scouts of America) and its Chartered Organizations have experienced litigation trends and issues arising out of the interdependent relationships that have caused potential legal conflicts; and

WHEREAS the Corporation provides a general liability insurance program to Chartered Organizations so as to protect their interests in connection with the delivery of the Scouting program; and

WHEREAS it is in the best interests of the Corporation, Chartered Organizations to avoid some of the predictable and inherent conflicts arising out of their interdependent roles and obligations so as to strengthen the relationships and deliver the Scouting program without the uncertainty of potential conflicts;

NOW THEREFORE, it is hereby

RESOLVED, as follows:

I. That the Corporation will endeavor to continue to maintain and provide primary general liability insurance for Chartered Organizations for those organizations in connection with covered claims made as a result of the delivery in connection with official scouting activities.

II. That in addition to maintaining and providing the aforesaid liability insurance, the Corporation shall defend and indemnify Chartered Organizations, and their employees, directors, officers, members and volunteers, who act in good faith and against whom claims are asserted based upon the Corporation's membership standards.

III. That the Corporation will indemnify to the fullest extent permitted by the law of the state where the Chartered Organization is domiciled against an award of punitive damages against any Chartered Organization, its employees, directors, officers members and volunteers who act in "Good Faith". This provision would not apply to any conduct or occurrences prior to the adoption date of this Resolution.

IV. "Good Faith" as used herein shall require: (i) the Chartered Organization Representative take steps to remove from any involvement in the Scouting program any employee, officer, member or other person known or suspected of engaging in conduct that poses a risk of harm to others, including, but not limited to, actual or alleged acts of criminal conduct, violence, substance abuse, or reckless conduct involving motor vehicles or firearms. Reasonable

inquiry shall include at a minimum determining whether the religious and chief officers of the Chartered Organization have any such knowledge or information of the conduct described above. The Chartered Organization shall timely disclose to the local council, and the BSA upon request any such knowledge or information it obtains; (ii) prompt disclosure of any occurrence which may give rise to a legal action against the Corporation, Chartered Organization, local council or any of their employees, officers, volunteers or members; (iii) prompt written notice to the Corporation and an opportunity to participate in any settlement discussions related to claims for damages which arise in the course of the delivery of the Scouting program and (iv) adherence to applicable laws and the Rules and Regulations of the Boy Scouts of America.

V. This Resolution shall not be construed to require the Corporation or any insurance provided for the benefit of Chartered Organizations to indemnify any Chartered Organization or its employees, officers or members for acts intended or expected to result in harm or actions which are not in Good Faith as defined by this Resolution.

VI. In civil actions filed or threatened against a Chartered Organization after the date of this Resolution, the Corporation's legal counsel, or his or her designee, shall confer with the Chartered Organization over the selection of legal counsel to defend the Chartered Organization, its employees, officers, members and volunteers. The Corporation and the Chartered Organization shall make a good faith effort to mutually agree upon legal counsel to represent the Chartered Organization and its employees, officers, members and volunteers. This good faith discussion shall include the question of whether or not separate counsel should be retained to represent the interests of the Chartered Organization, its employees, officers, members or volunteer.

VII. In civil actions pending or filed against a Chartered Organization, the Corporation's legal counsel will not use the language of the Charter Agreement or the Charter Renewal Agreement, or any similar document outlining the responsibilities of the parties, to shift liability from the Corporation to the Chartered Organization.

VIII. The Corporation shall give not less than nine (9) months' notice to Chartered Organizations of any action to be taken to change the words or effect of this Resolution. Provided, however, that should general liability insurance become unavailable or unaffordable, the Corporation shall be required to provide such notice as is reasonably possible.

Provided, however, that this Resolution shall become effective only after financial institutions to whom the Corporation is obligated agree that the indemnification requirements in this Resolution do not violate any loan covenants or other agreements.

The undersigned, being duly elected and qualified Secretary of the Corporation, hereby certifies that the foregoing Resolution was duly adopted by the Board of Directors of the Corporation effective October 30, 2013.