

ESTES VALLEY FIRE PROTECTION DISTRICT

RESOLUTION NO. 2026-02

**RESOLUTION REGARDING THE INDEMNIFICATION OF DIRECTORS,
OFFICERS AND EMPLOYEES OF THE DISTRICT**

WHEREAS, Estes Valley Fire Protection District (“District”) is a special district operating as a quasi-municipal corporation of the State of Colorado, by virtue of organization under Title 32, Article 1., C.R.S.; and

WHEREAS, past and present directors, officers and employees of the District may be subject to claims arising from acts or omissions occurring during the performance of their governmental duties; and

WHEREAS, the District desires to defend and indemnify such persons against liability for acts or omissions occurring during the performance of their governmental duties so as to encourage employment with and/or service to the District; and

WHEREAS, by encouraging persons to accept employment, it is in the best interests of the health, safety, and welfare of the District and its inhabitants to defend and indemnify its directors, officers and employees against liability for which defense and indemnification may not otherwise be provided by Colorado law.

NOW THEREFORE, be it resolved by the Board of Directors of the Estes Valley Fire Protection District as follows:

A. Definitions. For purposes of this Resolution, the terms below shall be defined as follows:

1. Director: Includes current and former directors of the District who are sued for acts or omissions occurring during their terms as directors of the District.
2. Employee: Includes a Director, officer, employee, authorized volunteer, or servant (hereinafter collectively referred to as “Employee”) of the District, whether or not compensated, elected, or appointed, who are sued for acts or omissions occurring during their term of employment with the District. The term “Employee” specifically excludes any person or organization contracting to perform services or acting for the District as an independent contractor.
3. Scope of Employment: An act or omission of an Employee of the District is within the “scope of employment” if it reasonably relates to the business or affairs of the District, and the Employee acted in good faith and in a manner which a

reasonable person would have believed to be in, and not opposed to, the best interests of the District.

4. Act: Means the Colorado Governmental Immunity Act set forth in Article 10, Title 24, C.R.S., as amended from time to time.

B. Applicability of the Act.

1. The District shall pay the costs and expenses actually and reasonably incurred by an Employee in connection with the defense of any allegation, action and proceeding arising out of an act or omission of such person during the performance of such person's duties within the Scope of Employment, including reasonable attorneys' fees, where the action lies or could lie in tort, in accordance with the Act. As a prerequisite to such payment, the Employee must furnish the District with an affidavit stating that the action against him is not purely personal; that, to his reasonable belief, the act or omission upon which the claim is based reasonably relates to the business affairs of the District; and that the Employee acted in good faith and in a manner which a reasonable person would have acted under the circumstances and which was not opposed to the best interests of the District. However, the District shall not pay such judgment or settlement and shall seek reimbursement from the Employee for the actual costs of his defense, including actual attorneys' fees, where it is determined by a court of competent jurisdiction (a) that the injuries did not arise out of an act or omission of the Employee occurring during his term of employment with the District and within the Scope of Employment, as defined herein or by the court, or (b) that, unless otherwise expressly authorized by the Board of Directors of the District, the Employee's act or omission was willful and wanton.

2. All claims to be paid as a result of the indemnification provided hereunder shall be paid by the District or its insurer, except as set forth in paragraph K, below. The District or its insurer shall pay judgments and settlements in accordance with the Act even if sovereign immunity bars the action against the District.

C. Limitations on Unlawful Acts. The District, acting through its Board of Directors, shall have absolute discretion regarding the payment of costs of defense, including reasonable attorneys' fees and any fines or penalties assessed, where a criminal action is brought against its Employee for acts or omissions occurring during his term of employment with the District and within his Scope of Employment. Prior to such payment, the Employee must furnish the District with an affidavit stating that the action against him is not purely personal; that to his reasonable belief the act of omission upon which the claim is based occurred within his Scope of Employment; and that he had no reasonable cause to believe his conduct was unlawful. The District shall not pay such fines or penalties, and shall seek reimbursement by the Employee for the actual costs of his defense, including actual attorneys' fees, where it is determined by a court of

competent jurisdiction (a) that the alleged criminal action did not arise out of an act or omission by the Employee occurring during his term of employment with the District and within the Scope of Employment, as defined herein or by the court, or (b) that the Employee had reasonable cause to believe his conduct was unlawful.

D. Contract or Other Actions. The District shall pay the cost of defense of, and settlements and judgments against, its Employees, including reasonable attorneys' fees, where the action lies in contract, whether express or implied, or arises under State or Federal laws and is not governed by the Act, except for criminal actions as hereinbefore addressed. As a prerequisite to such payment, the Employee must furnish the District with an affidavit stating that the action against him is not purely personal and that, to the best of his reasonable belief, the act or omission upon which the claim is based occurred within his Scope of Employment. The District shall not pay such judgments and shall seek reimbursement from the Employee for the actual costs of the Employee's defense, including actual attorneys' fees, where it is determined by a court of competent jurisdiction that (a) the damages did not arise out of an act or omission of the Employee occurring during his term of employment with the District and within the Scope of Employment, as defined herein or by the court, or that (b) the Employee had reasonable cause to believe such action or contract was prohibited by law.

E. Notice of Action or Potential Action. Employees are required to notify the District at the earliest opportunity of any and all actions which may require that such Employee be defended and indemnified as provided within this Resolution. If any Employee is served with papers regarding a lawsuit that relates to the Employee's conduct which occurred within the Course of Employment, the Employee must immediately notify the District and provide all documents that were served. If the District does not receive timely and proper notice of a claim and/or lawsuit from the Employee, the District reserves the right to deny the defense and indemnification of the Employee as provided for in this Resolution.

F. No Indemnification. The District will not indemnify an Employee if it is determined by a Court that the Employee acted for personal benefit or on the basis of other improper benefit which conduct was outside of the Employee's Scope of Employment. The District, however, reserves the right to consider whether indemnification of an Employee is appropriate if a Court determines that the Employee's conduct leading to the claim and/or lawsuit was willful and wanton and/or whether indemnification for any punitive damages award is appropriate. Such determination will be dependent upon the circumstances, advice from legal counsel, and must be addressed by the Board in a separate resolution.

G. Settlement. The District, acting through its Board of Directors or the Board's designated representative, shall approve in writing any settlement of claims which has been reached involving its Employees. The District shall not be responsible

for the payment of any settlement that is made without its express consent and approval in writing.

H. Legal Counsel. The District shall provide legal counsel to serve as counsel for the Employee if the employee has provided the affidavit set forth in Sections C and D above. The Employee must cooperate in all respects with the District as it concerns the Employee's defense.

I. Liability Limitations. The District's indemnity obligations shall not exceed the statutory limits set forth in the Act in cases that lie in tort or could lie in tort. Indemnification related to any other type of claim will be evaluated on a case-by-case basis.

J. Effect of Other Insurance, Bond, or Indemnification Plan. If the District has insurance coverage for any act for which indemnification is provided by this Resolution, its coverage shall be primary. If the Employee against whom a claim is asserted has other applicable insurance, bond, or an indemnification plan available covering the loss or damage alleged against him or her, and the District does not have adequate insurance coverage, and the act for which indemnification is sought is other than an action sounding in tort, such insurance, bond, or other plan will be first applied to the payment of any defense costs, attorneys' fees, or claim/judgment before the District's resort to obtaining funds for indemnification from sources other than insurance. The obligation of the District to indemnify the Employee shall, in all events, exist only to the extent permitted by this Resolution.

K. Purpose. The purpose of this Resolution is to protect Employees of the District against personal liability for their actions taken on behalf of the District. It is the intent of the District that this Resolution be liberally construed in favor of the protection of such Employees. By the adoption of this Resolution, the District does not waive its rights to claim sovereign immunity as a defense to any action or any other defense under the Act or provided by law.

L. Severability. If any provision of this Resolution is found to be invalid by any court of competent jurisdiction, such finding shall not affect the validity of the remainder of the Resolution.

M. Term. All indemnifications described in this Resolution shall be valid during the current fiscal and calendar year and shall be considered automatically renewed on January 1 of each year thereafter unless repealed by resolution of the Board of Directors of the District within sixty (60) days prior to the renewal date.

N. Repeal of Previous Indemnification Provisions. This Resolution shall supersede any and all previous Indemnification Resolutions adopted by any Board of

Directors of the District and shall amend the District's Bylaws, to the extent of any inconsistency between such indemnification provisions.

The foregoing Resolution was approved and adopted this 19th day of January, 2026.

ESTES VALLEY FIRE PROTECTION
DISTRICT

By: 
Sandra Smith, President

Attest:

, Secretary