

APRIL 19, 2013 – SPECIAL MEETING

The Board of County Commissioners, Walton County, Florida, held a Special Meeting on April 19, 2013 at 1:30 p.m. at the Walton County Courthouse in DeFuniak Springs, Florida to call to order an Executive Session to discuss the Deepwater Horizon Oil Rig-Oil Spill (Case No.: 2:10-CV-09999-CJB-SS).

The following Board members were present: Commissioner Kenneth Pridgen, Chairman; Commissioner Sara Comander, Vice Chairman; Commissioner Bill Chapman, Commissioner Bill Imfeld; and Commissioner Cindy Meadows. Mr. Gerry Demers, Interim County Administrator; and Attorney Mark Davis, Interim County Attorney; were also present.

Attorney Davis announced that prior to the Executive Session, Attorney Drake Martin, of Nix, Patterson, & Roach, LLP, would discuss the settlement offered to TDC by BP.

Attorney Martin reported that the three year anniversary of the oil spill was approaching and the three year statute of limitations was soon to expire. He gave a brief overview of the econometric model used to project the claim for 2010 by using the difference between where TDC should have been if the oil spill had not occurred and where TDC would actually end up. He stated that in 2010, not only was Walton County experiencing organic growth, but also the Northwest Florida Beaches International Airport was being introduced to the area. Attorney Martin said that these two factors drastically affected the claim amount that was submitted. He discussed how future losses were calculated and the transfer of risk from BP to the TDC of any future negative impact that would continue to be caused by the 2010 oil spill. He discussed the gains in growth in 2011 and 2012 and reported that BP has offered \$5.37 million in addition to the \$2.4 million received in 2011. The stipulation to the offer is that the amount would be a full and final settlement for the TDC and that the County must also accept the offer given to them.

Attorney Drake stated that a partial release has been drafted which is similar to the one executed in 2011.

Commissioner Chapman asked what the final offer on the table was for TDC. Attorney Martin stated that the amount was \$5.37 million in addition to the \$2.4 million received in 2011 for a total recovery of \$7.77 million.

Chairman Pridgen asked if the County would be financially responsible for future problems which are related to the 2010 oil spill. Attorney Martin stated that BP would be responsible for clean-up of tar balls, etc. and that the County would be responsible for restoration.

Commissioner Meadows asked what would happen if the TDC offer was accepted and the County decided to proceed with litigation. Attorney Martin said that there is a lawsuit on behalf of the TDC and that careful consideration should be given as to which steps to take. Commissioner Meadows asked what the offer to the County was. Attorney Martin stated that the County's Special Counsel would have that information. Commissioner Meadows asked how this offer compared to other counties. Attorney Martin briefly discussed Bay County's settlement of an additional \$15.3 million. Commissioner Meadows questioned why Bay County received a larger settlement. Attorney Martin stated that on the TDC side of the settlement their amounts were close to Walton County's. Commissioner Imfeld asked if Bay County's settlement included both TDC and the County. Attorney Martin stated that it did. Attorney Davis clarified that the offer being made to Walton County is conditioned upon acceptance of both settlements.

The Special Meeting was recessed at 1:52 p.m. and the Executive Session was called to order. The Executive Session was closed to the public pursuant to Florida Statute 286.011(8).

Those attending the Executive Session were: Commissioner Kenneth Pridgen, Chairman; Commissioner Sara Comander, Vice Chairman; Commissioner Bill Chapman, Commissioner Bill Imfeld; and Commissioner Cindy Meadows. Mr. Gerry Demers, Interim County Administrator; Attorney Mark Davis, Interim County Attorney; Attorney Clay Adkinson, Attorney Clayton Adkinson, Attorney Rhon Jones, Special Counsel to the Board; and Ms. Sharon Payne, Court Reporter were also present.

The Executive Session was adjourned at 2:45 p.m.

Motion by Commissioner Comander, second by Commissioner Chapman, to reconvene the Special Meeting. Ayes 5, Nays 0. Pridgen Aye, Comander Aye, Chapman Aye, Imfeld Aye, Meadows Aye.

Motion by Commissioner Imfeld, second by Commissioner Comander, to reject the settlement offer from BP for the County's portion of the oil spill claim. Ayes 5, Nays 0. Pridgen Aye, Comander Aye, Chapman Aye, Imfeld Aye, Meadows Aye.

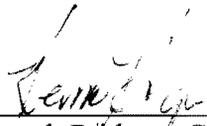
Motion by Commissioner Imfeld, second by Commissioner Meadows, to authorize the County Attorney and Special Counsel to file a civil suit against BP for the County's portion of the claim. Ayes 5, Nays 0. Pridgen Aye, Comander Aye, Chapman Aye, Imfeld Aye, Meadows Aye.

Motion by Commissioner Imfeld, second by Commissioner Comander, to accept the BP Settlement offer for the TDC portion with a partial release. Ayes 5, Nays 0. Pridgen Aye, Comander Aye, Chapman Aye, Imfeld Aye, Meadows Aye.

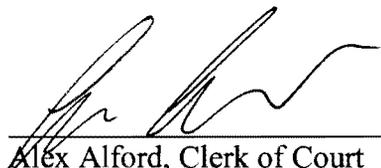
Attorney Clary Atkinson, TDC Attorney, stated that a motion would be needed to authorize Attorney Martin and Special Counsel to proceed with a civil suit on behalf of the TDC should BP reject the settlement offer with the partial release.

Motion by Commissioner Imfeld, second by Commissioner Chapman, to authorize TDC Special Counsel to proceed with a civil suit should BP reject the settlement offer with the partial release. Ayes 5, Nays 0. Pridgen Aye, Comander Aye, Chapman Aye, Imfeld Aye, Meadows Aye.

There being no further items to discuss, the meeting was adjourned at 2:42 p.m.



Kenneth Pridgen, Chairman



Alex Alford, Clerk of Court