

Article 9: Duty of Trustees

Section 9.01 Fiduciary Responsibility

Trustees shall discharge the duties of their respective positions in good faith and with that degree of

- diligence,
- care,
- skill,
- obedience, and
- loyalty

which ordinarily prudent men or women would exercise under similar circumstances in like positions. In the administration of the powers to make and retain investments, to appropriate appreciation, and to delegate investment management of institutional funds, trustees shall consider, among other relevant considerations, the long and short term needs of The Fire Department of the Village of Owego (FDVO) in carrying out its purposes, its present and anticipated financial requirements, expected total return on its investments, price level trends, and general economic conditions.

Section 9.02 Prudent Reliance on Information

In discharging their duties, trustees, when acting in good faith, may rely on information, opinions, reports or statements including financial statements and other financial data, in each case prepared or presented by:

- (1) one or more officers or employees of the corporation, whom the trustee believes to be reliable and competent in the matters presented,
- (2) counsel, public accountants or other persons as to matters which the trustees believe to be within such person's professional or expert competence, or
- (3) a committee of the board upon which they do not serve, duly designated in accordance with a provision of the act of incorporation as amended or the bylaws, as to matters within its designated authority, which committee the trustees believe to merit confidence, so long as in so relying they shall be acting in good faith and with that degree of care specified in Section 9.01 of this article.

Persons shall not be considered to be acting in good faith if they have knowledge concerning the matter in question that would cause such reliance to be unwarranted.

Article 10: Indemnification of Trustees

Section 10.01 Derivative Actions

The Fire Department of the Village of Owego (FDVO) shall indemnify any person made party to an action by or in the right of FDVO to procure a judgment in its favor by reason of the fact that (s)he, her/his testator, or intestate, is or was a trustee or employee of FDVO, against the reasonable expenses, including attorney's fees, actually and necessarily incurred by her/him in connection with the defense of such action, or in connection with an appeal therein, except in relation to matters as to which such trustee or employee is adjudged to have breached her/his duty to FDVO. Such indemnification shall in no case include amounts paid in settling or otherwise disposing of a threatened action, or a pending action with or without court approval, or expenses incurred in defending a threatened action, or a pending action which is settled or otherwise disposed of without court approval.

Section 10.02 Other Actions

FDVO, shall indemnify any person made, or threatened to be made, a party to an action or proceeding other than one by or in the right of FDVO to procure a judgment in its favor, whether civil or criminal, including an action by or in the right of any other corporation of any type or kind, domestic or foreign, or any partnership, joint venture, trust or other enterprise, which any trustee of FDVO served in any capacity at the request of the FDVO, by reason of the fact that (s)he or her/his testator, or intestate, was a trustee of the FDVO or served such other corporation, partnership, joint venture, trust or other enterprise in any capacity, against judgments, fines, amount paid in settlement and reasonable expenses, including attorney's fees actually and necessarily incurred as a result of such action and proceeding, or any appeal therein, if such trustee acted in good faith for a purpose that (s)he reasonably believed to be in the best interests of FDVO or that (s)he had no reasonable cause to believe that her/his conduct was unlawful.

The termination of any such civil or criminal action or proceeding by judgment, settlement, conviction, or upon a plea of *nolo contendere*, or its equivalent, shall not in itself create a presumption that any such trustee did not act in good faith for a purpose that such trustee reasonably believed to be in the best interests of FDVO or that such trustee had reasonable cause to believe that the subject conduct was unlawful.

Section 10.03 Nonexclusively

Section 10.01 and Section 10.02 of this article shall be exclusive but shall include, by implication, any and all rights and remedies available to FDVO or its trustees, by statute or otherwise, including but not limited to the

purchase and maintenance of insurance to fund the aforementioned indemnification.