

## CHEMUNG COUNTY CAPITAL RESOURCE CORPORATION

### INDEMNIFICATION POLICY

1. Upon compliance by a Member or Officer of the Chemung County Capital Resource Corporation (the "Corporation") (including a former Member or Officer, the estate of a Member or Officer or a judicially appointed personal representative thereof) (referred to in this Policy collectively as "Member") with the provisions of subdivision (9) of this Policy, the Corporation shall provide for the defense of the Member in any civil action or proceeding, state or federal, arising out of any alleged act or omission which occurred or allegedly occurred while the Member was acting within the scope of the public employment or duties of such Member. This duty to provide for a defense shall not arise where such civil action or proceeding is brought by or at the behest of the Corporation.
2. Subject to the conditions set forth in paragraph (a) of this subdivision, the Member shall be entitled to be represented by private counsel of the Member's choice in any civil action or proceeding whenever Office of Corporation Counsel or other counsel designated by the Corporation determines that a conflict of interest exists, or whenever a court, upon appropriate motion or otherwise by a special proceeding, determines that a conflict of interest exists and that the Member is entitled to be represented by counsel of the Member's choice, provided, however, that Office of Corporation Counsel or other counsel designated by the Corporation may require, as a condition to payment of the fees and expenses of such representation, that appropriate groups of such Members be represented by the same counsel. Reasonable attorneys' fees and litigation expenses shall be paid by the Corporation to such private counsel from time to time during the pendency of the civil action or proceeding with the approval of a majority of the Members of the Corporation eligible to vote thereon.
3. Any dispute with respect to representation of multiple Members by a single counsel or the amount of litigation expenses or the reasonableness of attorneys' fees shall be resolved by the court upon motion or by way of a special proceeding.
4. Where the Member delivers process and a written request for a defense to the Corporation under subdivision (9) of this Policy, the Corporation shall take the necessary steps on behalf of the Member to avoid entry of a default judgment pending resolution of any question pertaining to the obligation to provide for a defense.
5. The Corporation shall indemnify and save harmless its Members in the amount of any judgment obtained against such Members in a State or Federal court, or in the amount of any settlement of a claim, provided that the act or omission from which such judgment or claim arose occurred while the Member was acting within the scope of the Member's public employment or duties; provided further that in the case of a settlement, the duty to indemnify and save harmless shall be conditioned upon the

approval of the amount of settlement by a majority of the Members of the Corporation eligible to vote thereon.

6. Except as otherwise provided by law, the duty to indemnify and save harmless prescribed by this Policy shall not arise where the injury or damage resulted from intentional wrongdoing or recklessness on the part of the Member seeking indemnification.
7. Nothing in this subdivision shall authorize the Corporation to indemnify or save harmless any Member with respect to punitive or exemplary damages, fines or penalties; provided, however, that the Corporation shall indemnify and save harmless its Members in the amount of any costs, attorneys' fees, damages, fines or penalties which may be imposed by reason of an adjudication that the Member, acting within the scope of the Member's public employment or duties, has, without willfulness or intent on the Member's part, violated a prior order, judgment, consent decree or stipulation of settlement entered in any court of the State or of the United States.
8. Upon entry of a final judgment against the Member, or upon the settlement of the claim, the Member shall serve a copy of such judgment or settlement, personally or by certified or registered mail within thirty (30) days of the date of entry or settlement, upon the Chairman and the Chief Executive Officer of the Corporation; and if not inconsistent with the provisions of this Policy, the amount of such judgment or settlement shall be paid by the Corporation.
9. The duty to defend or indemnify and save harmless prescribed by this Policy shall be conditioned upon:
  - i. delivery by the Member to the Chairman of the Corporation, and the Office of Corporation Counsel or to Chief Executive Officer of a written request to provide for such Member's defense together with the original or a copy of any summons, complaint, process, notice, demand or pleading within ten (10) days after the Member is served with such document, and
  - ii. the full cooperation of the Member in the defense of such action or proceeding and in defense of any action or proceeding against the Corporation based upon the same act or omission, and in the prosecution of any appeal.
10. The benefits of this Section shall inure only to Members as defined in subdivision (a) of this Policy and shall not enlarge or diminish the rights of any other party.
11. This Policy shall not in any way affect the obligation of any claimant to give notice to the Corporation under Section 10 of the Court of Claims Act, Section 880 of the General Municipal Law, or any other provision of law.
12. The Corporation is hereby authorized and empowered to purchase insurance from any insurance company created by or under the laws of the State, or authorized by law to transact business in the State, against any liability imposed by the provisions of this Policy, or to act as a self-insurer with respect thereto. The provisions of this Policy shall not be construed to impair, alter, limit or modify the rights and obligations of any insurer under any policy of insurance.

- 13.** All payments made under the terms of this Policy, whether for insurance or otherwise, shall be deemed to be for a public purpose and shall be audited and paid in the same manner as other public charges.
- 14.** Except as otherwise specifically provided in this Policy, the provisions of this Policy shall not be construed in any way to impair, alter, limit, modify, abrogate or restrict any immunity to liability available to or conferred upon any Member of the Corporation by, in accordance with, or by reason of, any other provision of State or Federal statutory or common law. The benefits under this Policy shall supplement, and be available in addition to, defense or indemnification protection conferred by any law or enactment. This Policy is intended to confer upon Members of the Corporation all of the benefits of Section 18 of the Public Officers Law and to impose upon the Corporation liability for costs incurred under the provisions hereof and thereof.

Readopted on: 10/31/17