

APPENDIX 16A(d)-1

INDEMNIFICATION OF OFFICERS AND TRUSTEES

1. Generally. The Agency shall indemnify every Agency member and officer against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him or her as a consequence of his being made a party to or being threatened to be made a party to any threatened, pending or contemplated civil or administrative action, suit or proceeding, by reason of his being or having been a member or officer of the Agency.

2. Misconduct or Gross Negligence. Except in such cases where a member or officer is adjudged guilty of willful and wanton misconduct or gross negligence in the performance of his or her duties or adjudged to have not acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interest of the Agency and its members.

3. Reimbursement. If a member or officer claims reimbursement or indemnification hereunder based upon settlement of a matter, he or she shall be indemnified only if the Board (with any member seeking reimbursement abstaining) approves such settlement and reimbursement as being in the best interests of the Agency and, if a majority of the members request it, such approval is based on an opinion of independent counsel supporting the propriety of such indemnification and reimbursement.

4. Exclusivity. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights such member or officer may have.

5. Notice. The Board shall notify all members that it has approved an indemnification payment at least ten (10) days prior to making such payment.